DOCUMENT RESUME

ED 021 978 VT 003 903

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MANPOWER POLICY AND PROGRAMS IN FIVE WESTERN EUROPEAN COUNTRIES: FRANCE, GREAT BRITAIN, THE NETHERLANDS, SWEDEN AND WEST GERMANY. MANPOWER RESEARCH BULLETIN NUMBER 11.

Office of Manpower Policy, Evaluation, and Research (DOL), Washington, D.C.

Pub Date Jul 66

Note- 63p.

Available from- Manpower Administration, U.S. Department of Labor, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20210

EDRS Price MF-$0.50 HC-$2.60

Descriptors- ADMINISTRATIVE POLICY, BIBLIOGRAPHIES, EMPLOYMENT PROGRAMS, *EMPLOYMENT SERVICES, *FEDERAL PROGRAMS, *FOREIGN COUNTRIES, *MANPOWER DEVELOPMENT, OCCUPATIONAL GUIDANCE, OCCUPATIONAL MOBILITY, *PUBLIC POLICY, UNEMPLOYMENT, VOCATIONAL EDUCATION

Identifiers- France, Great Britain, Netherlands, Sweden, West Germany

For each of the countries, the current manpower policies are described, the development of manpower policy in relation to other national goals is explained, and major elements of manpower programs are discussed. Information was obtained from selected published materials. Some general findings are: (1) Measures to achieve full employment, economic growth, stable prices, and a sound monetary policy were well integrated and coordinated, (2) Information developed from programs and research related to manpower and the labor force were often used by policy makers, (3) Although published statistics often are lacking, there is generally good communication of information to all concerned with matching jobs and workers, (4) Adult training for employment was a permanent part of the manpower program in all five countries, (5) Public works were used in several countries to combat cyclical and seasonal unemployment, (6) Much attention was given to future demand and availability of workers, and (7) The agencies in the manpower administration of the five countries have different functions and different degrees of authority. A selected bibliography includes both publications containing general information and those containing information for each of the five countries. (EM)

manpower research

BULLETIN
NUMBER 11
JULY 1966

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France, Great Britain, the Netherlands, Sweden, and West Germany

VT003903
ED021978

U.S. DEPARTMENT OF LABOR: W. WILLARD WIRTZ, Secretary
MANPOWER ADMINISTRATION

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Manpower Policy And Programs In Five Western European Countries:

France, Great Britain, the Netherlands, Sweden, and West Germany

U.S. DEPARTMENT OF LABOR: W. WILLARD WIRTZ, Secretary
MANPOWER ADMINISTRATION

PREFACE

Under the Manpower Development and Training Act of 1962, as amended, the Secretary of Labor is required to publish information that might be of assistance in dealing with such problems as manpower requirements, development, and utilization. Other countries have developed policies and programs of varying success and applicability to this country in the solution of problems similar to those in the United States. This bulletin describes the current manpower policies of five highly developed countries of Western Europe, explains how their manpower policy is developed in relation to other national goals, and discusses some of the major elements of their manpower programs.

This bulletin is based on published materials and reflects discussions with persons who have observed firsthand the operations of manpower policy and programs in Western Europe. It was prepared by Lewis H. Earl, John H. Linton, and Philomena M. Mullady of the Office of Research, Office of Manpower Policy, Evaluation, and Research.

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FIVE NATIONS OF WESTERN EUROPE

GREAT BRITAIN
THE NETHERLANDS
SWEDEN
FEDERAL REPUBLIC OF GERMANY
FRANCE

INTRODUCTION

Manpower is frequently the key element in national economic and social policy. Since the end of World War II, western industrial countries have faced dilemmas arising from the relationship of the goal of full employment to other national objectives. Measures to achieve full and freely chosen employment can conflict with, as well as complement, efforts to reach other objectives. On one hand, effectiveness with which manpower is utilized and with which it adjusts to technological, economic, and social change is a major determinant of the rate of economic growth and consequently the level of employment. On the other hand, rapid economic growth frequently changes the industrial and occupational composition of employment and unbalances the demand and supply of manpower, particularly for specialized skills. Thus, when manpower is scarce, the maintenance of stable prices and favorable trade balances may require more efficient use of production and technological changes to obtain desired output of goods and services.

The integration of manpower policy with other economic and social policies saves the various elements that go into overall policy from being lost in a vacuum of narrow specialization. Integration of manpower policy, together with the stress on full employment as a national goal, makes manpower agencies a force in the formulation of economic and social policy.

Conflicts between manpower policy and other economic and social policies have led to mutual accommodation of these policies in most countries. The method of arriving at accommodation varies from country to country. Monetary and fiscal policies have been shaped partly by employment considerations and have been used to promote full employment. Conversely, manpower policy has been built on flexible and positive programs to both accelerate economic growth and overcome concomitant manpower dislocations.

In the United States, a high point in the integration of economic and manpower policy was reached in 1964. In an unprecedented move, taxes were cut to accelerate economic expansion and thereby to reduce unemployment. At the same time, President Johnson in his annual manpower message called for an active manpower policy to complement our new national attack on poverty. This manpower policy seeks new attitudes and efforts geared to the three fundamental goals: (1) To develop the abilities of our people; (2) to create jobs which will make the most of these abilities; and (3) to match people and jobs.

These objectives generally parallel those of several Western European countries, which have come very close to attaining them. This report reviews manpower policy and programs in five of these countries: France, Great Britain, the Netherlands, Sweden, and West Germany. This is a selective rather than an exhaustive review, because the aim is to explore points of difference in manpower policies and programs among the countries and the United States. A minimum of attention has been given to the political, economic, and social history of the countries, since it is not the purpose of this study to explain the reasons for these differences.

The analysis for each country covers the current status of manpower policy in relation to other policies. It also sketches the organization of the manpower agencies and their relationship to other Governmental agencies and functions in the development of manpower policy. The chief attention, however, is on the functions performed by these agencies in implementing policies for developing manpower, creating jobs, and bringing the two together. As members of the European Coal and Steel Community and the European Economic Community, France, the Netherlands, and West Germany have participated in some special manpower programs that are international in character and peculiar to those regional economic organizations.

SUMMARY OF FINDINGS

Measures to achieve the national objectives of full employment, economic growth, stable prices, and a sound monetary policy are well integrated and coordinated in the planning and policymaking stages in the five Western European countries. The methods of coordination vary from an integrated process of national planning in France to an active participation of manpower agencies in fiscal, monetary, and foreign trade programs in Sweden and Germany.

Information developed from operating programs and research related to manpower and the labor force is used frequently by policymakers at all levels to develop and administer manpower programs. Although published statistics often are lacking, there is generally good communication of information about job vacancies and availability of manpower to all concerned with matching jobs and workers.

The training of adults for employment has become a permanent part of the manpower program in each of the five countries. The type and organization of these programs, which are not limited to only the unemployed, vary among the countries.

Public works are used to combat cyclical and seasonal decreases in employment in several of the countries. Fiscal and monetary policy is used at an early stage of economic downturns to stimulate job creation in some countries.

Much attention is given to the future demand for manpower and the availability of workers to meet that demand. The economic planning done in several countries requires long-range forecasting of manpower demand and availability of skills. In most countries, the employment service plays a key role in matching workers and jobs. The manpower policies reflect a belief that programs for upgrading manpower or creating jobs can be most efficient when supported by a well-informed, professional employment service.

The agencies in the manpower administration of the five countries have different functions and widely different degrees of authority.

MANPOWER POLICY

Full employment ranks with rapid economic growth, stable prices, and favorable balance of payments as a prime objective of economic policy in each of the European countries studied. European countries have taken steps earlier than the United States in coordinative measures to achieve these goals. In some cases, full employment emerges as the central aim of economic and social policy; less attention may be given to full employment in those periods when relatively little unemployment exists. Measures to improve the efficiency and utilization of manpower—for example, training and relocation—are usually regarded as essential tools of economic policy.

In Sweden, for example, maintaining a high level of employment is assigned top priority by a longstanding consensus of the Government, the major political parties, the trade unions, and the employers' federations. Thus, although Sweden is concerned with preserving its competitive position in world markets and with improving its high standard of living, it has tolerated mild inflation for the sake of full employment. In the Netherlands, where international trade plays a heavy role in the economy, the annual economic review gives careful attention to full utilization of manpower resources as a prerequisite of successful international competition. Similarly, France has incorporated manpower objectives into each of the four national economic plans adopted since 1947. In West Germany, problems of manpower adjustment incident to economic reconstruction and the absorption of refugees focused attention on manpower utilization as an element of economic and social policy. Finally, Great Britain has recently undertaken long-range economic programing in which a commitment to full employment plays a major part.

Although Western European countries often lack published statistics on the labor force and employment needs, there are indications that some of the countries make full use of all available data in the manpower field for balancing the supply and demand. Those countries in the European Economic Community appear to use full information on manpower demand and supply to assist in the free and orderly movement of workers between member countries.

Forecasts and projections of manpower supply and requirements used in determining policy in some cases rest not only on demographic and employment trends but on systematic information on job vacancies and impending layoffs. For example, in Sweden most employers advise the Labor Market Board of impending layoffs or shutdowns 60 days in advance. Early notice of layoffs in the Netherlands grows out of a requirement that termination of employment have the consent of the local employment office director. Various systems for reporting job vacancies have been developed and communication of employment and vacancy data among local offices is frequent in Germany, the Netherlands, and Sweden. Wide use is made of local and national data on current and prospective employment throughout the manpower administration of all five of the countries. In Sweden, such information provides the signal for applying selective monetary and fiscal measures to counter increases in unemployment.

A more important prelude to economic policymaking in Western Europe is the careful elaboration of a statistical framework for a thoroughgoing review of all major aspects of policy to insure internal consistency. Thus, for example, if consideration is being given in the Netherlands to a 10-percent expansion of production in a certain industry, the Dutch can estimate rather precisely many of the far-reaching implications of such expansion. Its feasibility would be determined only after a study of such matters as the amounts of investment and manpower entailed, the incentives for attracting these amounts of resources, and the consequences for other economic sectors of so doing. Likewise in Sweden and France, the manpower implications of particular investments or other economic programs are evaluated before action is taken. Careful attention is given to the relationship of investment to regional and national employment in each country.

The agencies which administer manpower programs are not, in all cases, the policy spokesmen. In France, for example, the most influential voice in manpower policy is the Manpower Commission attached to the Commissariat of the Plan for Economic and Social Development. The Ministry of Labor, which is responsible for the administration of most manpower programs, has representatives on this commission, but the commission's membership encompasses other Government agencies and employers' and trade union federations.

MANPOWER ADMINISTRATION

The scope of authority given to manpower administrations varies among the European countries, depending upon the nature of the manpower program and the Governmental structure. In Sweden, at one extreme, the National Labor Market Board not only exercises the typical manpower functions but also has a certain amount of control over programs usually administered by other agencies of Government. For example, the Board can activate standby funds for public works, act to step-up procurement by both central and local government, approve tax exemptions to spur private investment, and control the issuance of building permits. France, at the other extreme, reserves to the Finance Ministry the approval of financial incentives to regional development, and delegates to the Labor Ministry the task of representation in the tripartite programs for unemployment insurance, occupational training, and worker relocation. The Ministry of Labor also operates the employment service, which has not been fully used by either employers or workers. However, in resettling Algerian repatriates, the role of the employment service became more evident.

Within the wide latitude encompassed by these two extremes, the Dutch, German, and British manpower agencies also exhibit marked differences. In the Netherlands, the Central Planning Board establishes annual guidelines for economic policy, using information furnished by the Ministry of Social Affairs and Public Health, as well as other departments. Most of the manpower programs are operated by the National Employment Service of the Social Affairs Ministry; however, wage policy is developed by tripartite, semi-independent agencies. In West Germany, where there is no overall national economic planning on a periodic basis, the employment service is the most important agency in seeing that the national aim of high employment is attained. Goals for economic growth in Great Britain, set by the National Plan, are implemented on an industry basis by the Economic Development Committees and the Training Boards, and on a geographic basis by the regional Economic Planning Council. The Ministry of Labor performs the administrative manpower functions.

DEVELOPING WORKERS' SKILLS

Training of adults for new or changing vocations has become a permanent part of the manpower administration of each of the countries. In some of the countries, the manpower authorities are also either wholly or partly responsible for the vocational counseling of youths still in school and for placing them in jobs where they can receive training when they are ready to leave school.

There is wide variation in the source and volume of training, methods of instruction, and the standards for admission. However, one feature is uniform: All of these countries pay liberal training allowances as related to workers' earnings.

In France, most adult job training is given in more than 100 training centers, most of which are operated by a tripartite organization under the aegis of the Ministry of Labor. Training is open to employed workers who wish to improve their skills as well as to the unemployed. The criteria for admission, however, screen out most prospective trainees who are over 35 years of age. Instruction is concentrated in the more skilled, technical, and semiprofessional occupations, and accelerated training methods permit the completion of most courses within a year.

The adult vocational training centers in the Netherlands are operated by the Ministry of Social Affairs and Public Health and the directors of the centers are aided by an advisory committee of employers and workers and by experts in vocational training. The Netherlands has been one of the pioneers in the use of programed instruction material and a trainee is permitted to enter a course at any time and to work at his own pace. The Netherlands also has the highest upper-age limit for trainees of any of the countries studied. The demand for graduates of the Dutch training centers is predetermined from forecasts based on past employment trends.

Sweden recently stepped up the pace of training and over 1 percent of the Swedish labor force is now being trained annually. Instruction is being given in a wide variety of occupations, many of them in trade and services. The Labor Market Board chooses the occupations in which training is to be given and cooperates with the educational authorities in developing the program of instruction, but the Ministry of Education either gives the instruction or arranges with a private training institution to do so. Training is open to adults who have been displaced or who are threatened with the loss of their jobs. The length of training varies with the occupation, and most trainees can enter a course at any time.

Great Britain is now developing a new plan of industrial training under the Industrial Training Act of 1964. This act makes each industry responsible for developing and financing a training program to meet its specific needs. Forecasts of manpower and training needs for each industry are essential to the new British training plan. As a part of this developmental work, the Ministry of Labor, in consultation with the industry and the trade unions involved, is reviewing the duration of apprenticeship in various trades and the use being made of new training techniques. The Government training centers in Great Britain are in the forefront of new training developments.

In Germany, greater emphasis is given to on-the-job training and the apprenticeship system. It is customary in white-collar occupations as well as blue-collar trades to serve an apprenticeship, generally 3 years. One of the chief Government contributions to training is the partial financing of central training workshops to permit broader training than would otherwise be possible of apprentices who are employed in smaller establishments. Also, liberal grants and loans support private courses for skill development.

None of the European countries studied has, in recent years, experienced serious unemployment of youth, although France, the Netherlands, and to some extent Great Britain and Germany, have begun to have sizable proportions of young people entering the labor force each year. All of the countries have increased their emphasis on education, and Sweden, Germany, and France have added 1 year to compulsory schooling. In Germany, the employment service is responsible for the vocational counseling of students in the schools, but the job training of young workers is done by the employer. The Swedish employment service concentrates its vocational counseling work in the schools, working closely with the school authorities. In the Netherlands and France, young workers enter the labor force at low wage scales but are rapidly advanced to the adult scale of pay. Apprenticeship programs for youth are prevalent in most countries. Great Britain has established special youth employment offices to care for new entrants into the labor force.

CREATING JOBS

Public works are also used in the Netherlands, West Germany, and Sweden to counter cyclical or seasonal decreases in employment. In the Netherlands, a special arm of the employment service prepares and initiates projects of additional employment to combat seasonal unemployment, and many of the public works are initiated by the employment service when considered necessary to overcome cyclical unemployment. In West Germany, unemployment insurance funds may be used to provide jobs on public works projects in lieu of making unemployment insurance payments. Previously, unemployment insurance funds have been largely used to finance public works projects (so called *Notstandsarbeiten*) but this has not been necessary in recent years because of overemployment. The Swedish Labor Market Board controls the use of standby appropriations for public works, and may initiate projects ahead of schedule in either a seasonal or a cyclical downturn in employment. It may also delay the beginning of a scheduled project if there is a shortage of manpower for the work.

The five countries studied have had considerable experience in the use of incentives for economic development that encourage the growth of jobs in underdeveloped areas and discourage further growth of jobs in crowded urban areas. In Great Britain, the Board of Trade must approve the location of large new or expanded industrial establishments and can provide some financial aid for location in certain areas. France uses a system of loans, interest subsidies, and tax incentives to guide industrial location. In Great Britain, Germany, and the Netherlands, there are programs to encourage investment and industrial growth in areas where manpower is available. In Sweden, the Labor Market Board can influence the location of industrial enterprise through its authority to approve loans.

The Swedish Labor Market Board also has unique powers for stimulating the investment of private capital to mitigate cyclical fluctuations in employment. This requires the closest coordination of monetary and fiscal policy with employment policy. Employers may set aside as much as 40 percent of their profits for capital investment, depositing a fixed proportion of this in the Swedish central bank, without paying income taxes on the amount set aside. When it is determined that capital investment would be appropriate to combat a recession, the funds may be released with additional tax incentives to employers who use them for new plant or equipment. The funds in the investment reserve may not be used for 5 years without the Labor Market Board's permission. After that time, up to 30 percent of the amount on deposit may be used for allowable purposes without direct permission and without payment of income taxes.

Several of the countries in Western Europe have developed sheltered workshops to provide jobs for the handicapped. Extensive rehabilitation training for the handicapped is also available. In Sweden and Great Britain, sheltered workshops are considered a means of employment rather than a system of welfare and they operate competitively in the economy. Throughout Europe, the concept of sheltered workshops reflects a policy of assuring full employment.

MATCHING WORKERS AND JOBS

In addition to making use of programs for attracting industry to areas where unemployment is relatively high, all of the European countries studied also utilize measures to induce workers in such areas to relocate in areas where manpower is in demand. Both the Netherlands and Sweden provide special travel and subsistence allowances as inducements for temporarily unemployed persons to meet needs for seasonal labor in other areas. The Swedes use this provision extensively for meeting seasonal manpower needs of all kinds, but in the Netherlands it is used only for the peak agricultural needs. However, the Dutch are encouraging the concept of full-time employment for agricultural workers and are using their adult training program to give these workers skills which they can use both on and off the farm. Germany's approach to the problem of seasonal unemployment in the construction industry, on the other hand, involves bad weather compensation from unemployment insurance funds to keep the workers on the employers' payroll.

All of the countries studied have provisions for financial aid to unemployed workers willing to move to another area to take a nonseasonal job. Also, the European Coal and Steel Community and the European Economic Community have provided financial aid to implement a policy of geographical mobility of workers.

There are allowances for travel expenses for the worker and his family, payments to cover the cost of moving household goods, and in some cases a resettlement allowance to help defray the expenses of selling one home and buying another. In addition, several countries provide an allowance for both the worker and his family to cover the added expense of maintaining two households if the worker cannot move his family right away. In several of the countries, similar allowances are available for trainees who enroll in a training center away from their home area. In nearly all instances, such allowances reflect not only the need for incentives to worker mobility but also a general shortage of housing.

The key role in matching workers and jobs, however, falls to the employment service. In all of the countries, unemployed workers are required to register with the employment service to qualify for unemployment insurance, even where the insurance plan is not, as in Sweden and France, a universal public system. Likewise, each country provides vocational counseling through the employment service. Referring workers to training programs is as common a function as job placement.

VARIATIONS IN MANPOWER STRUCTURE

The industrial structure of the economy varies from country to country. In general, however, postwar development in the European countries studied has tended to reduce differences in the industrial composition of employment both between one country and another and among all five and the United States. However, their employment distribution now resembles ours of a generation ago, except in the case of Great Britain where the employment distribution differs only slightly from that of the United States (in terms of broad industrial groupings). More of the labor force in the other four countries is engaged in agriculture than in the United States; for example, 20 percent is engaged in agriculture in France versus 7 percent in the United States. Less than one-fourth of the U.S. labor force is engaged in manufacturing; the smallest proportion among the four European countries is 27 percent for France. Employment in trade and services occupies 40 percent of the U.S. labor force, but is less in France, Germany, and the Netherlands.

All economic and demographic differences—in industrial structure, area, density of population, labor force participation, and economic growth rates—need to be kept in mind as influences on the shaping and administration of manpower policy. For example, geographic mobility of workers probably is a less vexing problem in Sweden, which is about the size of California, than it is in the United States, which sprawls over 23 times as much land. However, other factors, such as availability of housing, may influence worker mobility. Differences in the relative number of farmworkers can account for different training and placement policies. Indeed, manpower policy based on the experience of extraordinarily low unemployment for prolonged periods might be expected to differ appreciably from a policy directed toward reducing high unemployment.

Finally, cultural and social differences, as well as differences in the structure of government, influence manpower policies and programs. Each of the Western European countries studied has encountered manpower problems connected with ethnic, racial, or religious minorities, but these problems have rarely approached the magnitude of the Negro employment problem in the United States. Despite temporary difficulties, each of the five Western European countries has successfully employed and assimilated migrants from other countries—a task greatly facilitated by prevailing manpower shortages which demanded the use of foreign workers. Also, the geography of Western Europe is so compact that the use of foreign workers to overcome manpower shortages is often a ready tool. Furthermore, policy is subjected to a different type of public review under a parliamentary type of government than it is in the United States, and the ruling party or coalition controls—albeit sometimes by exceedingly slim margins—both the executive and the legislative branches of government. In addition, the structure of government in the Western European countries lends itself to some types of manpower programs that are difficult to accommodate in our Federal-State system. Although Sweden, for example, gives authority over its employment service to County Labor Market Boards, standards and procedures are uniform throughout the system and special services deemed to be in the national interest are provided as easily as those oriented toward local problems. Lastly, the sharing of administrative responsibility with the interested economic groups in several of the European countries tends to spread understanding and support of manpower programs, as well as to keep lines of communication open.

The existence of international differences such as those enumerated here—and necessarily much oversimplified in this thumbnail sketch—manifestly precludes any uncritical borrowing of manpower institutions. It is not the intent of this publication to suggest otherwise. Rather, its aim is to recognize, although not analyze, these differences as a background for whatever lessons we may learn from a study of manpower policy and administration in certain countries of Western Europe.

FRANCE

France's efforts to regain and reinforce her position as a world power have dominated her economic policies since the end of World War II. These policies have been embodied in a series of four national economic plans spanning the period from 1947 to 1966, when a Fifth Plan is scheduled to become effective. In this framework, all facets of economic policy have been geared to the central tasks of first rebuilding, and then modernizing and expanding an economy devastated by war. Of necessity, some social goals were assigned lower priorities during earlier postwar years. By 1961, when the Fourth Plan was being formulated, economic growth permitted the inclusion of important social objectives in overall plan goals. Earlier plans had been designated "Plans for Modernization and Equipment," but the Fourth Plan was called the "Plan for Economic and Social Development."

MANPOWER POLICY

Each of the French plans has been designed to obtain the optimum economic growth with available resources. Each plan has recognized the central role played by manpower resources in accomplishing the desired economic growth. A major objective has been full employment with the distribution of manpower to the sectors of activity that permit the highest possible growth rate. An essential aim of French economic development has been the more complete satisfaction of human needs. The manpower policy, therefore, has been directed toward meeting the needs for economic growth in the highest priority sectors of the economy, while helping the workers to adapt to the changes inherent in progress. An attempt not only has been made to balance manpower resources and requirements in overall employment, but also to balance the skill requirements and resources in the different sectors.

An important aspect of French manpower policy has been the recognition of the need for change and acceptance of the inevitability of technological improvements as the answer to maintaining a vigorous and competitive economy. This break in traditional attitudes can be dated with the development of the First Plan in 1947. Inherent in this recognition has been a strong emphasis on training programs for younger workers. While older and established manpower institutions are being reexamined to meet the demands of a modern age and a growing population, the newly adopted National Employment Fund is official recognition that the working Frenchman can no longer depend on spending his entire life on one job or in one occupation.

To rebuild the French economy after the war, full utilization of manpower to compensate for wartime population losses and very low prewar birth rates was essential. Thus, under conditions near full employment, manpower policies have stressed training to increase the productivity and mobility of labor, supplemented by other incentives for workers to adapt to manpower needs. Under the forthcoming Fifth Plan, regional development will be emphasized and present indications are that manpower policies and institutions will reflect the requirements associated with regional economic adjustments and development.

Manpower measures have contributed significantly to the restoration and growth of the French economy under the several and successive plans. France's gross national product grew at an annual rate of 4.7 percent between 1949 and 1958 and since 1960 at 5.4 percent—one of the highest rates among western industrialized countries. Yet the working population has remained fairly stable since 1945, at nearly 20 million, and the unemployment rate has, in the face of substantial reduction in agricultural employment and self-employment, remained less than 5 percent. The increase in per capita labor productivity has been substantial in contrast to prewar levels of performance.

THE DEVELOPMENT OF MANPOWER POLICY

The two most outstanding characteristics of French manpower policy have been the extent to which it has been integrated with overall economic policy and the widespread review and deliberation to which it is subjected during the planning process. Each element of the French plans represents far more than the Government's view of national needs in a particular area of the economy. Although manpower projections and guidelines may be developed by the Manpower Commission of the General Commissariat for Planning, they are discussed, examined, investigated, and revised by many levels of committees and working parties from private and public organizations that bear final responsibility for the execution of manpower policy. The participation of these many interests insures that the policies adopted will not only be feasible but that they will also enjoy broad support.

The organizational framework for economic planning has been somewhat elaborated since it was established in January 1946, but the fundamental tasks are still carried on by the General Commissariat for Planning and a number of Planning Commissions. The General Commissariat of Planning and its director, the *Commissaire-General,* are responsible to the Prime Minister and enjoy unique influence in the Government. The Commissariat is small, having a staff of about 150, of whom fewer than 50 are professionals. Its smallness reflects the large amount of assistance it receives from other Government agencies and the reliance on the various commissions, some of which are called into being only for detailed development of the plans. These groups, called Modernization Commissions, are composed of representatives of the four major labor federations, heads of industry, directors of management associations, representatives of farmers, and others, as the Commissariat deems desirable. The Commissions, with 30 to 50 members each, have a total membership of approximately 1,000. The working groups from private and public organizations bring the total personnel involved in planning to about 3,500.

Procedures for development and review of each plan have changed since 1946. Starting with the Fifth Plan, Parliament discusses provisions and signifies its approval on two separate occasions. The first time it is presented, the draft plan contains what the Government refers to as options or choices. At this stage, the plan is only in preliminary form and the options represent a principal hypothesis of development with several growth rate variations, one of which must be obtained if the selected economic and social objectives of the final plan are to be achieved. Once the necessary options are chosen, the details for implementation of the desired economic and social goals are then worked out by the various planning bodies. When the final draft is completed, the plan is resubmitted for Parliamentary approval. The goals thus agreed upon represent neither a prediction nor a promise; in effect, they are an arithmetic expression of policy objectives.

There were 24 Modernization Commissions working on the formulation of the Fourth Plan, which went into effect in 1962. Of these, five Horizontal Commissions coordinated the aspects common to all sectors of the economy: General economic and financing matters, manpower, research, and development, productivity, and regional planning. The remainder, the Vertical Commissions, were responsible for assessing the projections for a particular economic sector, such as agriculture, the processing industries, and housing; surveying problems in the sector; and suggesting measures for realizing the growth objectives. Working groups of public and private organizations conducted special studies as needed.

The Manpower Commission synthesizes the findings of the Vertical Commissions on manpower needs and recommends adjustments and priority programs to meet objectives. Following the recommendations and modifications made by the different commissions, vertical as well as horizontal, the General Planning Commissariat drafts the final plan. This draft is a cohesive outline of feasible economic and social objectives and measures for their attainment.

The draft plan is submitted to the Interministerial Committee on the Plan and ultimately to the Economic and Social Council and the Superior Council on the Plan. Following their approval, it goes to the Parliament. Within this framework, the Manpower Commission has responsibility for developing manpower policy consistent with the plan. It is significant that the commission is composed of interested national agencies, employer and union organizations and experts. With this wide representation from all sectors of the economy, the Manpower Commission's recommendations represent a consensus. However, like the other commissions, it has only research and advisory powers.

The Manpower Commission's research supplements available manpower statistics with detailed information from employers, particularly on future manpower requirements, plans for plant expansion, and impending technological developments. Some of the former reluctance of French business to provide pertinent information is fading as the plan assumes more importance in the country's economic development and as participation in the various commissions and working groups is enlarged. The work of the Vertical Commissions is also a valuable source of information for the Manpower Commission.

Research is the background for recommendations on measures that will be needed to achieve and maintain a desirable balance in employment in relation to the overall objectives of the plan. For example, the Manpower Commission made extensive studies in connection with the Fourth Plan. In addition to preparing reports on employment distribution among the principal sectors of activity, the Commission also prepared reports on professional qualifications and made estimates of the manpower situation by regions. Estimates of employment by major sectors covered the period 1959 to 1965, and estimates of regional manpower requirements covered 1960 to 1965. Because of the time required for education and professional training, the Commission chose as target dates 1965 and 1975.

The planning reports served to alert the public as well as the General Commissariat for Planning that measures had to be taken to meet the indicated shortages of labor. Manpower studies called attention to the fact that over 1,000,000 jobs would have to be created between 1961 and 1965 to care for the growing numbers of young people. Many persons from rural areas would become available due to the modernization of agriculture. The plan, therefore, had to ensure a policy of balanced growth among regions; correcting imbalances developing out of divergent trends in population, employment, incomes, and growth rates. Interregional migrations with a focus on the Paris area and not conforming to plan objectives were discouraged. Conversely, where rapid growth was taking place, policies had to be developed to provide the necessary public utilities, schools, universities, and financial resources to support and maintain the pace of expansion.

The influence of the Manpower Commission is demonstrated by the extent to which its recommendations for a plan are accepted by the Government, Parliament, and the private sector. The planning process subjects manpower resources to periodic review and rational analysis for the express purpose of developing long-term policy guidelines. Each of the four postwar plans has either explicitly stated or implied that full employment and increased labor productivity were central objectives. Thus are manpower policies and programs consciously and deliberately enunciated and assigned their constituent place in French economic and social programs.

Balanced regional development is the objective in areas suffering from underemployment or inadequate economic progress. In support of plan recommendations, incentives in the form of tax exemptions, loans, or subsidies have been made available for enterprises which locate or transfer their activities to depressed areas. Where development has been rapid, the plan calls for efforts to strengthen the infrastructure to sustain continued growth. Regional planning committees were established to aid in this development. One of their important responsibilities is to collect manpower information and analyze employment trends.

MANPOWER PROGRAMS

The administration of French manpower activities centralized in the Ministry of Labor are primarily concerned with employment in the private sector and the vocational training of adults. The Ministry of Finance handles the industrial location incentives to stimulate the creation of manpower demands in areas with a shortage of jobs. Manpower policy relating to the nationalized sector of the economy is a responsibility of the appropriate ministry.

Within the Ministry of Labor, the General Directorate of Labor and Manpower has charge of the employment service and of the Government's functions with respect to unemployment insurance. Its other manpower responsibilities include the recruitment, placement, and dismissal of foreign labor, and vocational guidance and training.

Employment Service

The French National Employment Service was reconstituted in 1960 to reflect the new planning emphasis on regional development. Under the overall direction of the General Director of Labor and Employment, there are 16 divisional labor inspectors, whose jurisdictions correspond to one or several of the 21 regions serving as the framework used in formulating the Plan for Economic and Social Development. The regions encompass departmental directorates in each of the 92 provinces and 240 labor inspectors.

Since 1945, the employment service has been the sole legal placement agency. To meet postwar reconstruction needs, France abolished private employment agencies and required the registration of all jobseekers and the listing of all job vacancies with the service. This authority was not changed when the agency was reorganized in 1960. Despite these powers, the employment service lacks any comprehensive listing of vacancies, and most workers seem unwilling to use the labor exchanges of the employment service.

Unemployment Benefits

The French social security system does not provide universal unemployment insurance, though some protection is given to the unemployed.

Unemployment relief, subject to a means test, was retained in a comprehensive revision of the social security laws in 1944 and 1945. There are minimum unemployment relief benefits which vary by occupation and region, as minimum wage scales vary. Benefits may be paid to unemployed applicants not over 65 who are available for work and who register with the employment service. Currently, all wage earners, including agricultural workers and merchant seamen, are eligible if they have worked 150 full days during the 12 months preceding their registration at the employment office. Homeworkers and casual workers who have worked 1,000 hours in the preceding 12 months are also eligible.

The inadequacies of the unemployment relief system partly explain why the National Employers' Council and the three largest labor federations in the National Collective Agreement of December 31, 1958 established a jointly managed unemployment benefit plan. It covers a majority of the workers employed in private industry and trade and provides benefits without regard to means. The collective agreement is financed by a contribution of 0.25 percent of wages, 0.20 percent from employers and 0.05 percent from employees.

The agreement recognizes that older workers may find it difficult or impossible to adjust to technological change and retraining or to find new employment. The maximum duration of unemployment benefits varies by age: Twelve months for workers through age 50, 20 months for those 51 to 60, and for those over 60, until they reach age 65, when old age benefits become available. The maximum benefit amounts to 35 percent of the worker's average wage during the 3 months preceding unemployment. Benefits are paid regardless of the laid-off workers' resources and may be paid in addition to the Government benefits, provided the total does not exceed 80 to 95 percent of the wage previously received.

The National Employment Fund

To meet the needs of French workers adversely affected by technological change, the National Employment Fund was created on December 18, 1963. The Fund, supervised by the Ministry of Labor, supplements present unemployment insurance plans and seeks to combine the efforts of Government, management, and labor to assist workers to cope with technological change. It represents French realization that for industry to remain competitive, changes must occur and workers must make personal adjustments to new conditions of employment. Thus, the Fund simultaneously gives workers displaced by modernization a means of accommodating to new employment and serves to encourage the progress of industry.

The Fund may provide allowances for training, relocation, and supplementary income for workers forced to take lower paying jobs or unable to work. One category of benefits is payable to individual workers by the Government from public funds. A second category of benefits for groups of workers in a particular occupation or region are paid from a fund jointly financed by agreements between the Labor Ministry and occupational or interoccupational organisms, unions, and employers.

Two types of allowances may be paid from public sources. The first guarantees that a displaced worker who undertakes retraining will receive at least 80 percent of his former straight-time earnings. The Fund may supplement other benefits for which the worker might be eligible; it is not a substitute for unemployment insurance or other benefits, but makes up the difference between such payments and the 80 percent guarantee. The second type of allowance reimburses workers for personal expenses of travel, resettlement, and moving household goods if he leaves an area with considerable labor for employment in one with a shortage.

The second category of allowances is based on agreements made between the Labor Ministry and business firms or occupational organizations for the purpose of protecting groups of workers in occupations or regions suffering from serious labor displacement. Displaced workers who are unable to benefit from retraining, and who take jobs paying less than 90 percent of their former wages, may be eligible for temporary decreasing allowances. Each eligible worker may be guaranteed 90 percent of his former wage during the first 6 months on the new job, and 75 percent for the next 6 months, with the Fund providing the difference between earnings and the guarantee.

Another allowance benefits a worker over 60 years of age. When it has been determined such a worker cannot take advantage of readjustment measures, a "leaving allowance" is provided. For unemployable older workers, these payments constitute a type of pre-pension which can be paid until old age social security benefits commence. The payments may not be less than the unemployment benefits provided by law and collective agreement. Therefore, the Fund may provide workers with an income approximately equal to the old age pension which is about 40 percent of earnings during prepension years. This assistance eliminates the hardship of regularly reporting to the unemployment office and preserves social security coverage during the benefits period. During 1964, the first year of the Fund, 1,222 older workers received preretirement benefits under 11 separate special grant agreements.

Because the Fund makes up the difference between wages or benefits available from other sources and levels guaranteed by the Fund, a fairly modest budget is involved. The French Government allocated a total of 24 million Fr ($4.8 million) to the Fund in 1964.

The Fund represents a French solution to some of the problems created by technological progress and structural changes in the economy. Business and labor share the responsibility, along with the Government, for coping with problems created by change. Business can utilize the facilities of the Fund by making appropriate financial contributions according to agreement. Workers must be prepared to make some sacrifices involved in training, moving, changing jobs, or premature withdrawal from employment. The Fund also serves to implement regional development programs under the Plan by assisting the transition of workers and businesses from depressed occupations or regions to others more economically viable.

Vocational Training and Retraining

By a 1946 decree, the French set up a system of accelerated training to ease the transition to peace for returning French veterans who had been sent to Germany as war prisoners, to aid the handicapped and other unemployed. The need at the time was for skilled workers to rehabilitate the economy, particularly in the engineering, construction, and iron and steel industries. In 1959, the emphasis in adult training programs shifted to meet the problems of workers whose skills are no longer in demand and those who have no skills. The program was expanded to include general education, technical and professional courses, and apprenticeship courses.

Vocational training for adults under the jurisdiction of the Ministry of Labor is organized and administered by a private association entirely financed by the Government, the National Interprofessional Association for the Rational Training of Manpower (*Association Nationale Interprofessionnelle pour la Formation Rationelle de la Main d'Oeuvre*) (ANIFRMO). The ANIFRMO board is composed of equal representation from the Ministry of Labor, employers, and unions.

ANIFRMO operates about four-fifths of the Government-financed adult training centers in the country. In 1962 ANIFRMO operated 113 centers which gave instruction in 105 different trades, principally in the engineering, construction, chemical, textile, and iron and steel industries, according to local and regional needs. Individual firms or groups of firms administer and operate the remaining adult training centers with partial Government subsidies for which they qualify by meeting required standards.

Although vocational training for adults is intended for those 17 through 40, young workers are favored in the ANIFRMO program. Trainees to be accepted must pass written and oral examinations, including an aptitude test, and a medical examination. Most successful applicants for training are 17 through 35, although some older workers have qualified in special instances.

Basic training courses in the trades usually require from 4 to 6 months, while more advanced courses at the technical level may last from 10 to 12 months. At the end of the course, the trainee must pass an examination conducted by a board composed of representatives from employers and the trade unions in order to receive a certificate of qualification in the occupation. About 90 percent of the trainees obtain their certificates.

In 1964, the number of labor training courses in Government centers increased by 9 percent over 1963, and the number of trainees completing training was 12 percent higher. The goal of the Fifth Plan was to train 74,000 workers a year.

All workers in training receive a basic allowance equal to the legal minimum wage—currently about $72 (360 Fr) a month. In addition, workers covered by the National Collective Agreement may also receive the unemployment benefit to which they are entitled under that agreement. On an average, training allowances amount to about double unemployment assistance.

However, unemployment is not a prerequisite for training under the French system. On the contrary, employed workers are encouraged to upgrade their skills under the Law of Social Development (1959), which provides training for technicians, draftsmen, physicists, chemists, etc. Workers seeking to reach higher occupational levels can obtain training allowances equal to 60 to 80 percent of earnings on their last job, depending on their particular circumstances. The employer whose worker is taking training pays part of the allowance; the remainder comes from public funds.

Promotion of Mobility

A variety of incentives to mobility is provided for both employers and workers under the Economic and Social Development Fund (*Fonds de Développement Economique et Social*—FDES), established by a decree of June 30, 1955. The decree combined the activities formerly divided among the Industrial Conversion Fund, the Industrial Decentralization Fund, and the Manpower Resettlement Fund. The new program is administered by the Ministry of Labor and the Ministry of Finance.

In administering the industrial incentives, the FDES may encourage firms to establish their operations in provinces with a good deal of labor and discourage firms from settling in those without, such as Paris. The negative aspects take the form of withholding building permits or imposing high tax rates based on the square meters of building space used. The positive measures include special premiums paid to firms who demolish or vacate quarters in crowded metropolitan areas in favor of green space, housing, schools, or parking sites. Incentives for employers to move to job shortage areas are also available in the form of direct subsidies, loans, interest subsidies, free plant sites, and tax exemptions.

Firms that establish or relocate operations in areas in which unemployment is critical may qualify for subsidies which are determined by the amount of investment and the new employment involved. The maximum subsidy cannot exceed 20 percent of the investment, but is further limited by the number of new jobs created. The subsidy base varies from 5,000 to 10,000 Fr ($1,000 to $2,000) per new worker depending upon the region and whether the facility is new, converted, or a partial conversion. Subsidies are also available from FDES for the expense of retraining workers. In 1964, some 16,909 workers were trained or retrained at a cost of 13,446,136 Fr.

The FDES can also make loans to private firms from treasury funds or subsidize interest payments on private loans made to firms locating in critical unemployment areas. Since 1960, commercial and service industries, as well as industrial enterprises, have been eligible for loans.

A reduction in the transfer tax from 13.2 to 1.4 percent is available to firms who set up, relocate, or increase operations in areas where unemployment is prevalent.

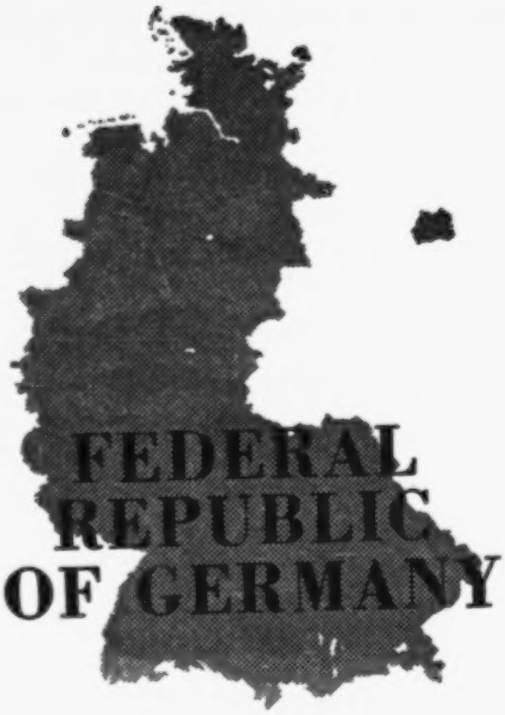
Since regional economic development plans are comparatively recent, the effectiveness of these measures cannot be fully estimated. Only scattered data are available on interregional movement, transfer, or decentralization of firms. For example, in 1960, more firms set up establishments in Paris than the 24 which left the area. In 1962, on the other hand, it was estimated by the French Employers Association that 39,000 jobs were created under regional expansion plans, and 249 firms in the Paris area decentralized or moved out, creating 30,000 new jobs in the provinces.

To stimulate the mobility of labor, the Resettlement Fund provides aid to both firms and workers. A firm may obtain financial assistance for retraining its workers incident to merger, modernization, or decentralization. If a firm hires additional workers who have been dismissed by firms in other areas and who must have training for resettlement, it may obtain grants from the Fund for retraining of these workers, either in its own vocational training program or in centers established by groups of firms under the 1946 training decree.

To receive financial assistance for training, the firm must justify the need for training and the added costs, and must agree to Government supervision of all aspects of the training programs including testing and selection of trainees. The Government training grant, subject to negotiation by the firm and FDES officials, may partially or wholly cover expenditures for the wages of instructors and trainees, including social security costs, for a period of 3 weeks to 6 months, and the costs of equipment and materials. In addition, the Fund pays the full cost for training instructors, testing workers, and technical and financial supervision. Aid was granted in 571 instances from 1955 through 1962 in the amount of 18.7 million Fr ($3.7 million) for retraining 28,115 workers.

Resettlement allowances are paid to displaced workers who cannot find jobs without moving and to workers who accompany their firm when it relocates or decentralizes. The allowances cover traveling expenses of the worker and his dependents, the expense of moving 3 tons of furniture and, if housing at the new location is not provided by the employer, a resettlement payment of 2,000 to 3,000 Fr ($400–$600), depending on the size of the family.

Approval of applications for resettlement assistance and payment to the applicant is a complicated and slow procedure which may require 12 to 18 months. The fact that procedures are slow and complicated, and not many workers are aware of the benefits, may be why only 3,414 applications were approved between 1955 and 1962. Over half of these grants were made in 1961 and 1962, when a total of 2,059 applications were approved. No more than 350 applications had been approved in any preceding year.



FEDERAL REPUBLIC OF GERMANY

MANPOWER POLICY

Officials of the Federal Republic of Germany take the position that manpower policy can be developed and administered only in relation to economic and social policy, and that the three must be constantly coordinated. The framework of the highly codified industrial relations system, the social insurance framework, and the policies of the European Economic Community (EEC) provide a structure within which the manpower policy operates. The term social policy is used to cover programs dealing with a wide variety of activities concerned with the general welfare, that is, social security, property accumulation, health, education, and housing. The concept of social policy encompasses the whole population of the country, and the integrating of private and public actions to solve human problems.

In carrying out manpower policy, stress is placed on the constitutional rights of the individual, the individual's personal dignity, and the avoidance of compulsion to secure full employment and high productivity in an expanding economy. The process of adaptation and expansion is built into the manpower policy in order that the quantity and quality of manpower will be available when and where needed to meet changing demands.

In the early 1950's, the social and political problem of West Germany was to attain full employment. This problem was complicated by the German partition and the loss of Germany's former eastern territories, the dismantling of West Germany industries, and the entrance of over 13 million expellees and refugees into West Germany before August 1961. Most of these persons were directed to the agricultural area, in which food and housing could be made available, but in which employment had to be created for those able to work. Among them were persons well-trained and highly skilled for available work, as well as many needing training.

The current problem is securing much needed skills in a very tight job market, upgrading the employed to provide entrance jobs for young workers, and preventing unemployment where technological and other changes cause a surplus of workers arising from the elimination of jobs. The Germans have recently had less than one-half of 1 percent of the 1964 labor force of about 27 million unemployed, and over one-half million job vacancies unfilled. More than 1 million foreign workers have been brought in to try to fill the gap.

DETERMINATION OF MANPOWER POLICY

Although haunted by the memory of the severe unemployment of the 1930's and after World War II, the West Germans are as yet unwilling to set up any planning agencies because of their experiences under the National Socialist dictatorship. Only agencies to help and advise, not to restrict personal freedom, are politically feasible in the Federal Republic. A law of August 14, 1963, authorized the establishment of a Council of Economic Advisers to examine how to simultaneously insure the four basic aims of the Federal Republic: Price stability, high employment, equilibrium in the balance of payments, and a steady, adequate growth within a free-market economy. The objective of the Council is to facilitate the formation of public opinion.

In February 1964, the President of the Federal Republic appointed as the five members of the Council two college professors, two retired Government officials, and the director of an economic research institute. The first annual report of the Council, describing the existing economic situation, its possible trends, and politicoeconomic conclusions was issued in November 1964 and published by the Federal Government, as required by the law establishing the Council.

The responsibility for the development and administration of the manpower policy rests with the Federal Government. Programs for insuring the four basic aims of the Federal Republic of Germany are developed and proposed to Parliament by the various agencies of the Government which are responsible for the administration of the policies. Because of the interrelationships of the four aims, these agencies include not only the Ministry of Labor and Social Affairs, but also the Ministries of Economics, Interior, Family and Youth Questions, Food Supplies and Agriculture, Transportation, Housing, and the Treasury.

The Ministry of Labor and Social Affairs has overall responsibility for the full employment program. The administration of the program requires the matching of workers and job vacancies, the vocational guidance of young workers, the training of workers, and the transfer of workers from areas where training or jobs are not available to ones where they are.

The present legal framework for the full employment policy is based on the 1957 Law on Labor Placement and Unemployment Insurance, as amended April 25, 1961. As a result of this law, the Federal Institute for Labor Placement and Unemployment Insurance (*Bundesanstalt fur Arbeitsvermittlung und Arbeitslosenversicherung*) (BA) was established as a self-governing body under the direct overall supervision of the Labor Ministry, to have a monopoly on labor placement. The directives of the Board of Management of the BA become part of the legal structure, as do the relevant ILO Agreements ratified by the Federal Republic.

A neutral, semiofficial organization for labor placement and unemployment insurance was first implemented by a law of July 16, 1927, which took labor placement and unemployment insurance out of the hands of the Ministry of the Interior and transferred those activities to an autonomous agency based on the principles of responsible cooperation between employers, workers, and Government representatives. The law of 1957 confirmed this method of operation for the Federal Republic by establishing the BA.

The administrative framework of the BA is made up of the Administrative Council and the Board of Management, appointed by the Minister of Labor and Social Affairs and composed of an equal number of honorary representatives of employees, employers, and the public. The President of the BA, his permanent deputy, directors of the BA regional offices, and their permanent deputies are appointed by the President of the Federal Republic upon the recommendation of the Minister. The general policy developed by the Administrative Council and the directives of the Board of Management are subject to the approval of the Minister of Labor and Social Affairs.

The Administrative Council, with 39 members, is responsible for the general policy on employment and for developing the budget. The Council has had to handle the problems of mass unemployment of the early thirties and the immediate period after World War II, the lack of occupational training of the young, the integration of the refugees, the transition to full employment, and the extreme scarcities of several classifications of workers.

On the national level, the Board of Management, which consists of three representatives each of the employers, the workers, and the Government, acts for the BA in legal matters, issues administrative rulings for the conduct of its affairs, and presents the yearly budget to Parliament.

The regional and local offices of the BA are administered by tripartite regional and local committees made up of about 5,000 voluntary officials who hold office for 4 years. These officials are appointed by labor, management, and Government organizations and represent those groups on the committees. The chairman of each committee is elected annually, 1 year from the employers' representatives and the next year from the workers' representatives.

The BA has 19 regional offices, 146 employment exchanges, and 568 branch offices in the Federal Republic, including West Berlin. The latter are mainly concerned with placement and vocational guidance. The branch offices are subdivided according to type of worker placed. Office locations are based on population, economic activity, and transportation; political boundaries receive secondary consideration. The day-to-day operations of the BA are in the hands of its president, the regional controllers, and the employment exchange managers.

FUNCTIONS PERFORMED IN IMPLEMENTING MANPOWER POLICY

Forecasting

Continuing surveys of manpower developments are made by the Labor Ministry through the BA to provide data for forecasting the demand for and the supply of manpower so that steps may be taken to avert unemployment, promote upgrading, and plan a program for the training of young workers. A system of regular reporting of manpower supply and requirements by the local employment exchange offices, through the regional offices to the Labor Ministry, provides current information. Employers must report hirings and give written notice to the Employment Exchanges of the layoff of five or more workers. Information on vacancies is secured through the placement offices; employers are not required to report their vacancies, but most of them do. The Ministry's monthly labor and social statistical report includes information on trends in job vacancies (new openings and those representing replacement), employment, unemployment, job placements, vocational guidance, and unemployment insurance.

A joint committee composed of the Ministry of Labor and the Social Structure and the BA, and of scholars and representatives of management and unions examines the manpower reports. The members of the joint committee also draw on census-type statistics from the Federal Statistical Office. After the trends are established, steps are taken to keep the labor placement system functioning smoothly by providing training, employment, or whatever is deemed necessary.

Vocational Guidance and Placement of Youth

The employment exchanges are made up of placement and vocational guidance sections. The employment service has a monopoly in vocational guidance. Neither teachers nor the schools are permitted to do vocational counseling or psychological aptitude testing for guidance purposes. Vocational guidance within the meaning of the Law on Labor Placement and Employment Insurance includes any advice or information given on the subject of the choice of a profession. Special training is given by the Ministry of Labor to the vocational advisers, who have the advice of specialists from each of the industries and trades, as well as psychologists.

General information on occupations and the training required is supplied to young people still in school and to their parents. Printed materials, as well as lectures, films, and demonstrations, are used. Individual guidance is given each student on the basis of his education and medical reports. Close coordination is maintained with the Ministries of Culture of the *Laenders*, and with the educational authorities in the local areas. Where training in the career of his choice is not available to a young entrant into the labor force in his home area, the vocational guidance service can provide financial assistance to enable him to go to where training is given.

The vocational guidance and placement services are responsible for the placement of apprentices, trainees for semiskilled jobs and unskilled workers. The unemployment among young workers is negligible. As youths come out of school, they enter apprenticeship or other training. In addition to advising juveniles, the vocational guidance and placement service also advises adults who wish to change occupations or need information and advice on vocational training. Job vacancies are cleared regionally and nationally. Since late 1961, the Common

Market countries, including West Germany, also clear job vacancies through the European Economic Commission. Separate vocational guidance and placement offices are operated for women and for foreign workers. The placement departments and the unemployment insurance departments cooperate closely to try to secure employment for each person upon his leaving school or becoming unemployed.

The placement service also is responsible for the promotion of vocational training and retraining. It provides youth hostels for young trainees and housing for transferred workers.

In cases of mass unemployment, the Ministry of Labor has developed "productive unemployment benefits." The unemployment insurance funds are used for public works, which provide employment in line with their usual jobs for those who become unemployed. Public works to provide jobs are a fundamental part of the German manpower policy under the jurisdiction of the BA.

Training of Workers

Education in West Germany is primarily financed by and is the responsibility of the *Laender* or states, of which there are 10, excluding West Berlin. The schools are free to all persons between the ages of 6 and 19, or until "maturity examinations" (*Abitur*) are passed. The usual school-leaving age is 14, although some *Laender* specify 15, thus providing 9 rather than 8 years of schooling. Vocational education begins at 14 or 15, or the school-leaving age. Until the age of 18, the young German worker is required to attend a vocational school at least 8 hours a week. Employers must release such a worker 1 day a week. The number of school-leavers in Germany decreased to almost one-half million during the 1950's, but is expected to rise until it is a little over three-fourths of a million by 1970.

There are 30 home-folk high schools, centers for adult education, which provide residence courses on all aspects of present day life. The 1,000 Peoples' Universities *(Volkshochschulen)* are for the higher education of adults—to advance an adult's practical knowledge and enable him to gain proficiency in a particular realm of knowledge.

New Entrants to the Labor Force

Training of young workers in the Federal Republic of Germany is carried out by the employer, with the Government providing close supervision over quantity and quality of apprenticeship training.

The education and training of apprentices is administered locally by the *Land* governments, under the supervision of the Federal Ministry of Economic Affairs. The agencies for approval and supervision of the programs for apprentices are two corporate bodies specified under the law: The Chambers of Industry and Commerce *(Industrie-und Handelskammer)* for training in large-scale industries, and the Chambers of Handicrafts or Artisan Trades *(Handwerkskammer)* for training in the craft-trades.

The training for most trades is 3 years. Each program is standardized, and spelled out in a syllabus which must be followed by the employer. The apprenticeship programs are prepared by the nonofficial Study Research Center in Vocational Training in Industry, with advice from employers and unions: Courses are planned, levels of accomplishment determined, and the terms of the agreement between the apprentice, the school, and the company are decided. It is sponsored by several employers' organizations and enjoys de facto recognition by the Ministries of Economics, Labor, and Education.

The problem of adequate training in smaller establishments has been partly resolved by local training workshops set up by companies and employers' organizations. There are several thousand of these interplant training programs, in part financed by the Government.

Special attention is being given to the difficulties faced by rural youth in securing training to fit them for modern agricultural as well as nonagricultural careers. Apprenticeship changes have been developed to enable young farmers to industrialize the family farm or to secure employment on mechanized farms.

Through the Common Market exchange program, some young German workers are able to receive part of their training in other countries. West Germany will have had 1,500 people participating in such exchange programs during 1965. The Government makes the arrangements and pays travel expenses, allowances to offset losses in wages, and other expenses. German workers are replaced in their jobs by young workers from other Common Market countries.

Adult Training Programs

The German manpower policy recognizes that workers may have to change jobs or careers many times during their working lives. Training of adults is part of the permanent program under German manpower policy; it is not designed just to aid the unemployed.

Programs to help a worker gain upgrading or promotions in his occupation, called "occupational development measures," are carried out by the BA. Qualified institutions, such as technical colleges, vocational schools, unions, and trade association training centers may be called upon to give a specific program. The local employment exchange is required to determine whether a course can be given more economically by an agency other than the Government.

The local employment exchange develops a program to meet the training needs in a locality, and submits it to the regional office. If it covers more than one *Land*, or requires large financial aid, the program must be approved by the director of the BA.

Instruction is given in a classroom, not on the job. Under BA regulations, courses are to be no longer than 13 weeks; some exceptions permit 26-week courses. However, an individual trainee may, with special permission of the president of the BA, be registered for succeeding courses, so the training may be extended for several months.

All training, whether for career advancement or to enable workers displaced by the elimination of jobs to learn new occupations, is financed from the unemployment insurance fund and is free to the worker. Both eligible trainees and teachers are paid out of that fund. A worker receives between 40 and 90 percent of his usual earnings, "pocket money" (given to be used for lunches), and a family allowance. Where necessary, he may receive grants or loans to maintain himself and family, pay for training materials, the necessary travel expenses, and maintain the national insurance he would have if employed. Trainees not eligible for unemployment insurance receive unemployment relief, based on a means test, with the above supplements.

In addition to the Government training programs given under BA auspices, many other programs are carried out by the unions. For example, the white-collar workers had 75,000 workers in 500 schools in 1964. The union received about 20 percent of the expense of the program from the Government to pay for teachers and classrooms.

Labor Reserves

Great attention has been given in West Germany to assisting older unemployed workers, including those whose unemployment has been long term, to find employment. The older worker problem has been especially acute in West Berlin.

Training, retraining, and advanced training programs have been set up for the unemployed worker over 45. The programs were used at first during the 1950's to determine whether older workers could qualify for jobs through retraining. The cost of training was considered negligible because unemployment funds were diverted to this purpose rather than unemployment insurance payments. The type of training given depended on the manpower needs of the locality. About 11 percent of the first group trained secured permanent employment. Others were transferred to regular adult training programs for further training. Retired workers are given the opportunity to reenter the work force for several kinds of work for specific periods. If work is not available, they receive unemployment benefits.

Germany has also recently emphasized the employment of women to alleviate the extreme shortage of workers. As men have been trained and transferred to more urgently needed occupations, women have been trained and employed to replace them. Some women who have been trained prefer work on a part-time basis, and women in rural areas have thus been able to take on some work in industry.

West Germany has imported more than a million foreign workers from Italy, Spain, Greece, Turkey, Portugal, Morocco, and other countries. The recruitment is done by the BA which maintains offices in each of the aforementioned countries. A German company requesting a foreign worker pays the BA a fee for recruiting and transporting the worker to the Federal Republic. The employer must guarantee the worker a job upon arrival, and appropriate housing. Arrangements have been worked out between the German Government and each of the Governments of origin to protect the foreign worker, providing equal rights with the Germans as to salary, training, health, and unemployment benefits. In some cases, the initial training is given in the home country and continued on the job by the German employer. Some of the cost of training at home and abroad is financed by the Common Market Social Fund. The average age of the immigrants is lower than the average age of the inhabitants of the Federal Republic.

The law requires each employer of more than 15 persons either to hire a quota of severely disabled workers or to pay into a fund from which the Ministry of Labor provides accommodations and rehabilitation centers for the disabled. The Ministry has given much attention to the rehabilitation and training of handicapped persons to fit them to return to an active working life.

Employment Service and Mobility

The placement service of the employment exchanges in West Germany has an excellent reputation among employers and workers. It has a monopoly of employment agency functions for all occupations except those such as film star and opera singer, for which private employment agencies are licensed. The BA has recently increased its services to artists. The employment exchanges handle about 40 to 50 percent of all placements and are able to place between 80 and 90 percent of all those who complete training programs. The percentage is much less for older and for long-term unemployed trainees. Even so, the number of unemployed in these groups has been greatly reduced since 1950. From 50 to 60 percent of all hiring is done through direct recruitment by employers.

The decrease in employment in agriculture and mining has provided manpower which has been trained for and transferred to other industries. In some cases, planned movement of workers is the method employed; in others, new industries are encouraged to establish themselves in former mining or agricultural areas.

Aid for the unemployed worker to move to a job was expanded to assist the post-World War II refugees. It is also available to a worker who has received notice that he will be dismissed, or who for any other reason needs to transfer to another job. Subject to a means test, worker and family may receive travel expenses, a per diem allowance, transportation of household possessions, a family separation allowance, and an allowance to take care of the family until the worker receives pay on the new job. The employment office in the area from which he moves handles the case.

Advance Warning of Dismissals

Temporary ending of work for some of a firm's employees due to unavoidable reasons, such as breakdown of machinery, lack of orders, or seasonal fluctuations, may entitle them to receive up to 90 percent of their regular pay from the unemployment insurance fund for a maximum of 6 weeks within a period of 1 year. They are not listed as unemployed, but continue on the employer's payroll with their status fully protected. The law spells out the proportion of total working time that must be worked to qualify. This does not apply to work for a specific contract period.

Special restrictions concerning termination of jobs have been provided for the building trades. Dismissals by employers because of bad weather are prohibited by a collective agreement from November 1 through March 31. This makes possible a lower unemployment rate in West Germany during the winter than previously, because building construction workers are not laid off in the winter and then reemployed during the summer, as was the former practice. Employers are thus able to keep their force of skilled workers intact through the winter. When those employed in the building trades cannot work because of the weather, the BA pays them "bad weather money", which is a large percentage of their wages, out of the unemployment insurance fund.

The BA and other agencies of the Government, such as the Ministry of Housing, have encouraged new methods of building which make winter work possible. Since about 60 percent of all construction is influenced by the Government (that is, public construction and Government subsidized housing), it is able to affect considerable increase in the hours of work that can be performed during the winter. Incentives are paid to all those ordering winter building construction for Government-subsidized projects to offset part of the extra cost of such work. The BA also helps construction companies finance equipment which enables them to work in bad weather. A builder may receive up to 11 percent of gross wages paid out as compensation for the added costs of winter construction. He may also receive loans to help him prepare the site for building. Construction workers receive loans and subsidies from the BA to enable them to buy the clothing needed for winter work.

The employer is required by statute to give advance notice to the employee of the termination of employment. The termination is subject to review by the Works Council, made up of employee representatives within the bargaining unit and the Labor Court, (special courts which have exclusive jurisdiction in civil suits involving labor matters). The length of advance time depends upon the method of wage or salary payment (daily, weekly, monthly). There are special legal safeguards for some groups of workers. For example, in June 1965 legislation was added to give special protection of job rights to women on maternity leave.

Employers in small companies are obliged to notify the local employment exchange in writing of the dismissal of more than five workers. For larger companies, the minimum may be 50 workers; the law states it as a percentage of the normal work force. The comments of the Works Council have to be affixed to the notification. A period of 1 month after notification must elapse before the dismissals can become effective. The period may be extended to 2 months by the employment exchange, or in some cases dismissals before the month is up may be approved.

The purpose of the notification is to deter the employer from unnecessary dismissals, and also to enable the placement section to take steps to prevent unemployment of the dismissed workers. Dismissals do not require the approval of the employment exchange, nor can the exchange prevent them, since to do so might endanger the economic health of a company.

Public Works

The BA has power to organize relief work and finance it through subsidies or loans out of the unemployment insurance fund. This "productive unemployment assistance" not only creates jobs for the unemployed, but also makes productive use of funds which otherwise would be used to pay unemployment benefits or assistance. Unemployment benefits are a ratio of the insured person's wage or salary, and they range from about 80 percent of the wage for the lowest income workers to about one-third of the highest salary listed. The worker also receives family allowances and his social security coverage continues to be maintained.

The relief work program is limited to projects which have value to the community and the whole economy—such as road construction and improvements, reforestation, and recovery of waste lands to attract new industry to the area. To provide jobs for older, unemployed white-collar workers, projects of a cultural or scientific nature, such as work in libraries or museums which utilize their acquired skills, are undertaken. Preference is given to projects likely to lead to permanent jobs. Usually the worker would not be employed more than 13 weeks on the project itself, but in special cases the period may be extended to 39 weeks in 1 year. For example, "Emergency Programs" were used to provide 9 months' employment in public agencies on a rotation basis for older white-collar workers who were on unemployment assistance, in order to spread employment with a limited number of jobs.

Regional Development Programs

To secure a better geographic balance between employment opportunities and the population—both of which are rather heavily concentrated in certain areas—the Federal Republic has three special programs for industrial development. These are the reclamation areas programs, the zonal border areas programs, and the central localities programs in underdeveloped rural areas.

Constitutional and political hurdles prevent compulsion on industry to invest in any section of the country. Germany tries to achieve the desired balance through loans and grants; there are no tax advantages except in the border zones.

The zonal border areas, established in 1953, cover a strip 25 miles wide along the Iron Curtain and include some territory in four *Laender*. These same states contain all but a few of the reclamation areas.

Since 1959, special attention has been paid to the development of central localities, each carefully selected as the center for the development of industry in a rural region. There are now 31 of these small- and medium-sized towns. The objectives of the central locality program are to provide employment for displaced agricultural and mining workers, to stem the movement of people into congested urban areas, and to increase employment opportunities for women.

The development programs have been continued during the last several years of high employment and prosperity, especially in the central localities where unemployment and underemployment are still a problem. Also, intensive placement work is being done to find jobs for workers nearer their homes so they need not spend more than 2 hours per day in travel.

The Interdepartmental Committee for Problems of Distressed Areas, with representation from all the ministries dealing with economic and social problems, in 1951 set the criteria for the reclamation areas, then called distressed areas, and developed the general policy for assistance to the areas. It has not been politically feasible to remove areas from the list, nor to add many additional ones. The chief of the Division for Regional Economic Problems of the Ministry of Economic Affairs is the chairman. The division also supervises the central localities development programs. Both the Federal Government and the Governments of the *Laender* participate in the assistance to the reclamation areas. The administration of the programs is the responsibility of the *Land* concerned.

The Federal Government through its Town and Country Planning Research Center provides information on the locations of industries and possible sites for new ones. The *Laender* Governments Planning Departments then draw up development programs based on detailed information regarding those locations and sites gathered by the departments in their own localities.

Unless they are small-scale, *Land* proposals for regional assistance must be approved by IMNOS. After approval, the Economic Affairs Department of the *Land* has full responsibility for selecting, financing, and administering the programs. If the program is too costly for one *Land* Government or is politically important for the whole country, for example in the border areas, the Federal authorities help in its development and administration.

The Ministry of Economic Affairs can make loans and grants to public and private nonprofit organizations in development areas to help create jobs in industrial and handicraft enterprises or modernize existing facilities, expand tourist facilities, improve the infrastructure (that is, roads and public utilities) and agriculture, and expand vocational training. Emphasis is on encouraging small enterprises in the regions. Eighty percent of the Federal funds for development of the central localities are to be used for infrastructure improvement, agriculture, and tourism; 20 percent is for loans for the installation and extension of industry. Loans can also be secured from the unemployment insurance fund.

Additional benefits are received by the border areas in the form of special tax and transportation benefits, and preference in the placement of Government contracts. For economic and political reasons, it is considered desirable to encourage residents of the border areas to remain there. Large sums of money to provide assistance of the types listed above have been allocated to West Berlin which suffered the most severe damage in the 1945 partition of Germany.

Those West German industries and handicraft enterprises which can prove to have been injured by the 1945 division of Germany or the 1961 sealing of the border in Berlin have been entitled to special low interest rates on loans from the Government for a limited period of 3 to 5 years.

Funds to carry out the assistance programs for the regions must be requested annually from Parliament by the Minister of Finance in his budget. Federal funds are used to supplement private investments and those appropriated by the *Laender*. Unemployment insurance reserves are also used in several of the programs to help provide loans or grants which eventually will create permanent jobs.

Loans and grants for the development programs are made for a period of 15 to 20 years, the length of time depending on the type of project. The interest rates also vary.

Large sums are available from the unemployment insurance reserve funds, as well as from other Federal funds, for the building of low-rent housing in the development areas. Often housing is essential before industry will consider establishing plants in such areas and before workers can be encouraged and persuaded to transfer to employment there.

GREAT BRITAIN

The longstanding commitment of Great Britain to a policy of full employment acquired a new setting in 1965 when manpower policy became an integral part of the first National Plan, which establishes plans for 1970. The plan seeks a 25 percent increase in gross domestic product between 1964 and 1970 for the purpose of creating a dynamic and economically just Britain. To make British goods more competitive in world markets as one means for improving the balance of payments situation, the plan recognizes the need to improve productivity. Emphasis is placed on investments in new equipment, methods, and techniques for improving the design, quality, and cost of British products. Another integral part of the plan is an incomes policy aimed at keeping increases in money incomes geared to increases in real output. This policy for containing inflation is sufficiently flexible to respond to changes in demand and technological developments that alter the structure of the economy.

MANPOWER POLICY

To reach the economic growth goal established by the National Plan requires full employment, increased productivity, and filling 200,000 jobs estimated to be in excess of the available manpower by 1970. Emphasis is given to training manpower within each industry for the new production methods and techniques required for modernization of production. Many readjustments for the work force are implied in the National Plan, but economic security of the worker will be maintained and insured through earnings-related unemployment insurance, redundancy compensation (compensation to workers whose jobs have been eliminated), improved transfer grants, retraining programs, and preservation of pension rights. Programs for expanding the labor force, such as counseling of youth and marginal groups, are required to meet national goals. Flexibility in the incomes policy to accommodate changes in the economy for fuller utilization of scarce manpower is recognized. Adjustment of the regional industrial development policies, to make fullest use of manpower, has become a part of the manpower policy. Many local and national organizations are involved in shaping manpower policy to the national goals of Great Britain.

DEVELOPMENT OF MANPOWER POLICY

The planning and administration of policy for economic growth in Great Britain have undergone drastic changes recently. Any attempt at evaluation is premature. Efforts are being made for greater participation of all elements of the society in the development and implementation of a program of economic growth and the manpower adjustments to support such growth.

The Department of Economic Affairs (DEA), established in October 1964, is the chief architect of the National Plan. However, assistance from all Government agencies was secured in its development. Assuming some responsibilities formerly belonging to the Treasury, the DEA is most specifically concerned with long-term economic development policy. Because it is a coordinating agency, the DEA is also involved in development of regional policy, industrial policy, economic plans, and harmonization of all Government agencies respecting economic plans and policies. In coordinating Government programs for implementing economic growth policies, the DEA plans an important role in shaping manpower policy.

Great Britain gave serious concern to long-range national economic programing in 1961 with the establishment of the National Economic Development Council, popularly known as NEDDY. This independent economic advisory agency continues to function in the development of economic policy, including manpower policy. The 20-member council has equal employer and trade union representation. NEDDY is chaired by the first secretary of state, who, as head of DEA is also secretary of state for economic affairs, and the Government is also represented by the Minister of Labour, the president of the board of trade, and the Minister of Technology. The small National Development Office is the secretariat to NEDDY and is now responsible for keeping under review economic developments related to the National Plan. Since its inauguration, NEDDY has made economic projections and recommendations for changes in the economic structure, changes that involved mobility of labor and upgrading of the labor force.

The industrial policy functions of the DEA are keyed to the work of the Economic Development Committees, known as "Little Neddies," which have been set up in the major industries by NEDDY. Chaired by non-Government personnel, the Little Neddies are composed of industry, trade union, and Government personnel with the staff of NEDDY and DEA represented. The Little Neddies plan the industry participation in the National Plan, pinpoint weaknesses in the fulfillment of goals, and recommend policy changes. The Little Neddies are especially concerned with efficient use of scarce manpower resources and the development of new production techniques and training programs to meet the production goals. There is close liaison between the Little Neddies and the Training Boards within industry, which were established by the Industrial Training Act of 1964. The National Economic Development Office acts as secretariat to the Little Neddies as well as to NEDDY.

A division on regional policy in the DEA is responsible for harmonizing regional policies on employment, land use, transportation, construction subsidies, and incentives to regional growth with the National Plan. This division is particularly receptive to the recommendations of Regional Economic Planning Councils, voluntary bodies composed of individuals from local governments, companies, trade unions, universities, agriculture, and other experts. Encouragement is given to plans that help to reduce regional unemployment problems. The link between regional employment and national growth is recognized by NEDDY and the DEA, and the reduction of regional disparities in growth and employment is being attempted through the coordination mechanism by which the National Plan was developed.

Keyed to the implementation of the National Plan is the expanding training program for meeting the needs of the changing economic structure of Great Britain. The Industrial Training Act of 1964, administered by the Ministry of Labour, provides for Industry Training Boards composed of employer and trade union representatives. These boards are charged with the responsibility for determining training needs within a single industry and devising training programs, including the extent of industry financing of the training. The work of the training boards must be coordinated with the National Plan for economic growth.

Other Government departments are concerned with the development of specific facets of manpower policy as related to economic growth. For example, the Ministry of Technology sponsors the Little Neddies in the electronics and machine tool industries and is concerned with the skill training needs in these industries. The Ministry of Technology also encourages investment in advanced technology for meeting growth targets. The Ministry of Agriculture sponsors the Food Processing and the Chocolate and Sugar Confectionery Committees and participates in developing their growth targets and manpower projections.

IMPLEMENTING MANPOWER POLICY

British manpower policy is carried out chiefly by the Ministry of Labour and the Board of Trade, although the Ministry of Education carries some responsibilities for vocational guidance. The National Joint Advisory Council is a source of advice and recommendations on national manpower problems to the Minister of Labour, who serves as its chairman. The council is made up of representatives of unions, employers' associations, and the nationalized industries. Local Employment Committees perform the same function of providing advice and recommendations in regard to manpower problems at the local level. These committees serve as a channel of communication to the Minister of Labour.

The Ministry of Labour is responsible for the Employment Exchange Service; the Youth Employment Service; the rehabilitation, training, and placement of the disabled; the collecting of employment and unemployment statistics and special manpower research projects; the arranging of importation of workers from abroad; the assistance of workers who wish to transfer to other areas of Great Britain; the Government Training Centres; and the administering of the Industrial Training Act of 1964.

The Board of Trade administers the industrial location program which is designed to prevent further concentration of industry in the congested areas of Great Britain and to induce new plants to locate in designated development areas.

Forecasting Manpower

British manpower statistics provide the basis for forecasts of manpower demand and supply. These statistics include annual data on interregional movements of workers, based on a 1 percent sample of the National Insurance records of the Ministry of Pensions and National Insurance, the British social security agency. In addition, the Ministry of Labour's annual and monthly estimates of employment and data on unemployment and unfilled vacancies by industry, recently supplemented by annual figures on employment by occupation in manufacturing, show which industries and occupations are expanding or contracting. Quarterly statistics on turnover in manufacturing by industry are also published. To provide additional data, the Ministry of Labour is making a study of labor mobility, including all kinds of job changes, workers' education and training, reasons for changing jobs, and workers' attitude toward moving to particular parts of the country. In 1961 and 1964, special surveys of the characteristics of the unemployed were made by the Ministry of Labour to determine factors restricting occupational and geographic mobility.

The establishment of the Manpower Research Unit of the Ministry of Labour in 1963 increased the capacity of the British Government to deal with manpower problems. The unit has thus far prepared manpower forecasts as well as special studies of the industries and occupations likely to be affected by technological changes. Its projections of population and manpower to 1973, with estimates of manpower requirements for the various economic sectors to 1968, disclosed anticipated surpluses and scarcities of specific skills and indicated the need for more efficient use of manpower and for increased productivity and mobility. A pilot study of the problems of manpower forecasting within large- and medium-sized firms in the iron and steel, engineering, shipbuilding, and aircraft industries indicated the kinds of major changes in their work force that companies expect in the next few years. Other special studies thus far have covered manpower in the construction *industry and the effects* of computers on office employment.

Forecasts of manpower needs and requirements, including a detailed analysis of the influence of technological and other industrial changes on the skills required, must be developed by the Industrial Training Boards being set up by the Ministry of Labour under the Industrial Training Act of 1964. The Minister of Labour and the boards have power to require employers to keep records and make returns so that the necessary information will be available. In preparing forecasts of future requirements, the boards will have the help of the Ministry of Labour's Manpower Research Unit, the Department of Economic Affairs staff, and the Economic Development Committee for the industry.

Vocational Guidance and Placement of Youth

It has been estimated that over 90 percent of those who leave school at the earliest permissible age are given vocational guidance and that about half of those given vocational guidance are placed in their first jobs by the Youth Employment Service (YES). The service was established by the Employment and Training Act of 1948, under the Ministry of Labour, but the act gave local education authorities the option of operating the service under detailed plans approved by the Ministry of Labour. Seventy-five percent of the expenses of the service set up under this option are reimbursed. Where the education authorities did not exercise the option, the Ministry of Labour operates the Youth Employment Office through the local employment exchange. In 1961, about 70 percent of the local education authorities, who represented about 80 percent of the school-leaving population, had elected to operate local Youth Employment Offices.

The Act of 1948 also established an advisory body to the Ministry of Labour called the National Youth Employment Council. This council has representation from educational authorities, the teaching professions, employers, unions, local youth employment committees, and others with knowledge and experience in youth problems.

The general responsibility for the administration of the Act of 1948 has been delegated to the Central Youth Employment Executive (CYEE), consisting of representatives of the Ministries of Labour and Education. The CYEE arranges special training courses, lasting from a few weeks to a year, for Youth Employment Officers and has set up a Youth Employment Service Training Board to review and advise on their recruitment and training.

The British Youth Employment Service performs the three following functions for youth up to age 18: (1) Vocational guidance through the schools for those who plan to leave at the minimum age of 15 and for those who remain in school; (2) job placement service through the local Youth Employment Officer for the school leavers; (3) followup of young workers after they enter employment. Special attention is given to those who are physically or mentally handicapped and to those who find it difficult to hold a job.

The Youth Employment Service, which keeps in touch with employment opportunities for the young both locally and nationally, is widely used by young people, though there is no compulsion. If they cannot find employment or training locally, the young persons may obtain financial assistance to move to areas where jobs or training are available. The YES also keeps informed on the nature of the work and the conditions of training in the various occupations. Those who remain in school receive information about higher educational facilities and professional career opportunities. Through the guidance and placement activities of the YES, efforts have been made over the last few years to channel young people into the occupations of shortest supply and those offering the best opportunities for future employment. The comparatively low unemployment rate among young people in Great Britain is believed due to the high proportion who are guided into apprenticeships or other on-the-job training by the YES.

A youth's first contact with the Youth Employment Officer (YEO) is through the officer's visit to the school to talk to his class. The officer describes the types of careers available, and urges the students to think about the kind of work suited to their abilities and interests. He may bring in experts to talk about specific careers, show films, and take groups of students to visit firms.

British schools are required to send to the Youth Employment Office a report, near the end of the young person's schooling, on that person's health, educational attainments, and general ability for some specific kinds of employment. The student and his parents are later invited to come in for an interview with the YEO. Members of the school's teaching staff are usually present, too. The YEO seeks information from the young person and his parents about the young person's interests. The YEO does not administer tests, but receives from the school the results of any standardized tests it has given. The YEO's are trained in the interpretation and application of the information received from the schools. The young person and his parents receive advice and recommendations from the YEO, but they make their own final choice of a career for the young person.

Training of Workers

To implement that part of the British manpower policy which calls for an improvement in the quantity and quality of training and retraining, the Industrial Training Act of 1964 (ITA) was passed. The ITA covers all occupations, including professional and managerial, in commerce, manufacturing, agriculture, and the distributive, financial, banking, and insurance industries. Under this new legislation, Great Britain is in the process of developing major changes in its training methods and standards. A tripartite Industry Training Board for each industry will carry out the program.

The main incentive for a firm to provide its own training courses, or arrange for some organization to provide them, is the levy and grant system authorized by the Industrial Training Act of 1964. Each employer is required to pay a levy, the rate of which will be determined by its Industry Training Board, with the approval of the Minister. The rate has to be sufficient to meet the costs of the program proposed and the administrative expenses of the board. Grants will be paid out of the levy to companies providing training that meets certain standards. Inspection by board representatives will determine whether or not the standards are being met.

The Minister of Labour decides in which industries Industry Training Boards shall be established, appoints each Board's members after consulting with employers and unions in the industry, and presents to Parliament an industrial training order, including a definition of the industry, to give the Board legal status. Each Board has a chairman with industrial or commercial experience, an equal number of employer and union representatives, and a number of education members. Representatives of the Ministry of Labour, and the Departments of Education and Science attend meetings of the boards, but have no vote.

The Board's main duties are to insure sufficient training of manpower for the industry. It makes recommendations on the nature, content, length of training for occupations in the industry and on the education needed to accompany the training. The Board presents to the Minister of Labour for his approval, and for transmission of Parliament, proposals on how it intends to exercise its powers. Although the Board may present supplementary proposals for approval, it must work within the framework approved by the Minister. Separate proposals must be submitted by the Board for the rate of the levy to finance its proposals. If the Board fails to submit or revise proposals, its membership may be replaced by the Minister without consulting the interested organizations.

The ITA gives the Minister of Labour power to require employers to keep records and make reports so that the number of employees being trained, and other relevant information, can be supplied to the boards. With the aid of the Minister's Manpower Research Unit, and the Economic Development Committees, the boards, as previously indicated, must also prepare estimates of their industries' skilled manpower requirements in the future. Finally, the boards are required to develop programs to meet the future training and further education needs of the employees of their industries. Detail work, such as establishing a syllabus for each occupation, may be delegated to committees with the Minister's approval. It is expected that major changes will be made in the duration of apprenticeships and methods of training apprentices. Improved standards in skills achieved and ability to perform the work are also receiving careful consideration in developing the training programs.

Joint committees may be appointed by the boards, subject to approval by the Minister, to handle the training of workers in occupations found in several industries, such as maintenance, clerical, and commercial activities.

The Minister of Labour has appointed a Central Training Council to help establish standards of training and to advise him on the administration of the ITA. The council consists of representatives of employers, unions, nationalized industries, and education, the chairmen of several of the training boards, and other members with a special interest in industrial training. The council reviews the programs and performance fo the boards of the various industries, advises the Minister on how to remedy deficiencies, considers whether or not a training board should be established in a particular industry, and takes up matters of general interest to all boards, e.g. training methods, qualifications of training directors and trainers, use of tests, and research in training methods.

At present, the Government, through the 30 Government Training Centres that are training between 11,000 and 12,000 men annually, is assuming a large share of the responsibility for the accelerated training and retraining of adults who lack skills or whose skills are becoming obsolete, whether or not they are unemployed.

About one-third of the trainees are disabled. Disabled persons are given priority in Government Training Centres in two ways: (1) some courses are reserved entirely for them; (2) in others they have the same priority for admission as able-bodied former members of the regular Armed Forces. The Ministry of Labour also reserves places for the disabled and pays the cost of their training and maintenance at four residential training centers provided by voluntary agencies.

During their training, the students receive allowances, varying with age, sex, and domestic responsibilities, but which are above the rate of unemployment insurance benefits and below the rate of wages the students expect to receive when they enter employment. Allowances are not subject to income taxes and the trainee remains covered by the social security system. If needed for the trade, tool kits are provided to graduates upon employment. Daily travel expenses are paid.

The syllabuses of the 40 courses of training in regular use in the centers were drawn up and continue to be under constant review by the Ministry of Labour's technical officers, who consult with representatives of unions and management in the trades. Industrial discipline and working methods are used in the centers to condition the trainees to the kind of working situations they will meet on a job. Classes contain 10 to 16 trainees. Courses normally last 6 months, although some take up to a year. Each week, a few hours of theoretical instruction is given with the amount decreasing as training progresses. Most of the training is practical experience of gradually increasing complexity. By the end of the course, the student is doing actual production work. There are periodic progress tests and a final test. The employer taking center graduates in some of the trades is paid a small fee by the Ministry of Labour for providing additional training. The amount of payment is reduced as the company's on-the-job training progresses and the trainee becomes more productive. The Ministry also pays a fee to employers for full on-the-job training.

The instructors used in the centers are workers who are skilled in their crafts and who have considerable experience in industry and the ability to teach. They are given special courses in teaching-training in the Ministry of Labour's own Technical Staff Training Colleges.

Redundancy Legislation

Studies made by the National Joint Advisory Council of the Ministry of Labour since 1960 have increased public interest in assisting workers who lose their jobs because changes in operations make them redundant. The Redundancy Payments Act of 1965 provides that workers whose jobs disappear after 2 years of service with an employer shall receive lump-sum, tax-free severance pay based on their weekly wage and years of service. Weekly earnings over L40 ($112) per week, and service of more than 20 years are not counted. Excluded are fishermen, dock workers, and Crown servants, who are covered under another plan, and the Armed Forces. If the employer has severance pay agreements with the unions, he may be exempted. The scale of redundancy pay is higher for older than for younger workers. The Ministry of Labour will administer the Redundancy Payments Act.

The employer will make the payments to his displaced employee, but a Central Redundancy Fund is being set up to help equalize costs throughout all industry. It is to be financed by an increase in the employers' social security contribution. Employers may draw about 70 percent of their total redundancy payments from the Fund, upon application for a rebate.

Labor Reserves

With the shortage of workers in Great Britain, much attention has been given to the use of the labor reserves: Older workers, women, the handicapped, and foreign workers.

Through the Government's National Advisory Committee on the Employment of Older Men and Women, encouragement has been given to create a public opinion climate which will make it easier for people to remain at work at an older age. The older worker is a manpower resource that is still considered seriously underutilized. The National Plan calls for an increase in the employment of older workers and women to help bridge the "manpower gap." Older workers whose jobs have been eliminated find it difficult to secure other jobs. Training and retraining and special placement service is provided them through the Government Training Centres and the employment exchanges.

One of the important changes in the use of the labor reserves during the 1950's was the great increase in the employment of women. The total work force increased by 1.5 million; the increase in the number of women was 1 million. Recently, the Government has been conducting a national campaign to persuade married women who were trained as teachers before their marriage to return to help meet the extreme shortages in the schools.

During the midfifties, Great Britain had a large influx of jobseekers from such Commonwealth countries as India, Pakistan, and the West Indies. By 1961, the net annual increase of these immigrants had reached 115,000 and the trend appeared to be up. Amidst much political controversy, the Commonwealth Immigration Act was passed in 1962. Because of the pressure on social services, especially on housing, by the increased number of immigrants and their families, the number of Commonwealth immigrants was restricted to 8,500 yearly. The Commonwealth citizen now must have an employment voucher before he is admitted to Britain. Vouchers are given those who have a job or who possess a needed skill, such as is the case for domestic workers, nurses, and teachers.

The Ministry of Labour issues permits for all foreign workers wishing to work in Britain and decides whether or not those with permits may change employment. Permits are issued only if the employer has made an adequate effort to find suitable applicants from British subjects or foreigners who are permanent residents and offers wages and other working conditions equivalent to those for British employees in the district of employment for similar work. After 4 years, the foreigner normally qualifies for freedom of employment.

Permits are not required under "bulk recruitment plans," through which the Ministry of Labour recruits foreign labor for private employers. The employment exchanges handle these placements.

Through the Disablement Resettlement Officers (DRO) in the employment exchanges, the disabled get rehabilitation services, and help in finding employment. Workers needing employment assistance are invited to register as "disabled," and all employers with 20 or more workers are required by law to employ a quota of such registered persons. In 1965, about 650,000 persons were on the register. The quota for an employer was 3 percent of total staff in 1965.

Any disabled person, whether registered or not, can ask for special assistance in finding employment. The DRO may obtain medical advice on the capabilities of the disabled person, the conditions under which he should be employed, and the environmental factors which would be unsuited for him.

Those who are so seriously disabled that they cannot do normal factory work are given employment in sheltered workshops operated by REMPLOY, a nonprofit company formed by the Government in 1945. REMPLOY has established 90 factories, employing 6,000 seriously disabled. The location of these factories depends more on the number of disabled workers from an area for whom there is no other employment than on its economics. REMPLOY produces furniture, leather work, industrial clothing, light engineering work, bookbinding, knitted wear, and packaging. The products are sold through ordinary commercial channels and the wages are set at the standard scales of union-management agreements. A number of voluntary organizations providing the same type of work are given Government financial assistance. Local authorities are required to provide sheltered employment for the blind, for which they get financial assistance from the Ministry of Labour. About 4,000 blind persons are employed in 66 workshops. Nearly 1,000 more are homeworkers.

The Employment Exchanges

Employment exchanges are operated under the Ministry of Labour through a network of 9 regional offices, which supervise and coordinate activities of 900 local employment exchanges in the largest cities and towns and over 100 suboffices in smaller population centers. The staff numbers about 13,000. The Employment exchanges have the function of matching the jobseekers with suitable job vacancies, administering the allowances paid to workers under the employee-transfer plans, and trying to anticipate employment developments in the area.

Employers are not now required to list all unfilled vacancies and openings for apprentices with the employment exchanges, nor are workers compelled to register, except for unemployment benefits. The vacancies that are reported by employers are recorded by type and hours of work, pay, duration of the job, and union membership requirements. If a vacancy cannot be filled by the local exchange, notification of its existence is circulated first to nearby offices, then throughout the region, and finally to other regions. The Government has no monopoly on placements, and the number of private, fee-charging employment agencies has grown as worker shortages have increased the number of recruitment problems. Currently, employment exchanges place only about one-third of the workers hired. Most workers find jobs through direct application to employers.

For several years, the Ministry of Labour has been urging employers to give as immediate a warning of layoffs as is possible to workers and at the same time to the employment exchanges. The employment exchanges send in staff members to register the workers whose jobs are or will be obsolete in the establishment. These officials gather information on what jobs these workers can do, where they are willing to move in order to find new jobs, etc. Immediate placement action can thus be started to prevent unemployment and to help fill the "manpower gap." The program has been most successful in plants where cutbacks have caused large numbers of workers to become displaced.

The Ministry of Labour has under consideration legislation compelling all employers to notify the Exchanges in advance of planned displacement of workers. The Contracts of Employment Act of July 6, 1964 requires employers to give longer dismissal notice to some workers than to others. An employee who has been with one employer for 2 years must be given 2 weeks notice, although the worker who leaves need not give such notice. After 5 years of continuous service, 4 weeks notice must be given. The Ministry has urged that the minimum notice be 1 month, to protect the men dismissed and to encourage a more efficient use of manpower.

Transfer Plans and Area Development

As indicated previously, the recently created Regional Economic Planning Councils will give special attention to the redeployment of workers and the diversification and development of industry in areas of slow economic growth.

The Board of Trade, under the Local Employment Act of 1960, can provide financial assistance in the form of loans or grants to companies willing to move to or expand their operations in designated development areas. In addition, any plant expansion or new plant of over 10,000 square feet must have an Industrial Development Certificate approved by the Board. The Board also is empowered to acquire land, build factories, lease them, and grant loans to new firms coming into the development areas, as well as to assist in improving transportation, power, light, and sanitation. It may provide information on sites, labor supplies, housing, and help with the cost of moving firms and key manpower into the development areas. The Board, with the assistance of a Treasury Advisory Committee, can determine which areas should be aided, by offering such incentives as low rentals and subsidies to firms to build in development areas.

Three plans, two of which encourage the permanent movement of workers from areas of unemployment to areas of manpower shortage, are administered by the employment exchanges in the Ministry of Labour. The Resettlement Transfer Scheme applies to unemployed and displaced workers who have little prospect of suitable employment in their home areas and who move beyond daily commuting distance to jobs for which no suitable workers can be found. The Key Workers' Scheme provides benefits for workers whose employer moves to a new development district with help from the Board of Trade, if these workers' services are essential for establishing the new installation. The Nucleus Labor Force Scheme assists in the temporary transfer of unemployed persons from areas of high unemployment for training in the parent factories of firms setting up new plants in development areas.

The assistance given includes free fare for the journey to the new employment and a settling-in grant. If the worker continues to maintain his dependents in the home area, a weekly lodging allowance is paid, and he gets the fare to go home six times during the year.

The Resettlement and the Key Workers' Schemes also pay dependents' fares to the new location and a percentage of lawyers' fees and other costs paid in the sale of and purchase of a house.

THE NETHERLANDS

Social and economic policy of the Netherlands focuses on full employment for a rapidly growing population in a country with very limited land area and one of the highest population densities in the world. Other major objectives are a high level of exports and equilibrium in the country's balance of payments, a rate of capital investment that will permit industrial growth and a rising standard of living, a just distribution of income, and stable price levels. The Dutch appear to be attaining these goals in the period since World War II.

MANPOWER POLICY

Unemployment, which has been less than 1 percent of the labor force in the 1960's, has hardly been a problem. Job vacancies have continually exceeded job applicants in the Netherlands. Shortages of manpower have resulted in the importation of over 60,000 foreign workers.

This situation reflects a postwar evolution in manpower and economic policies. Since the war, there has been increasing emphasis on expanded industrial investment as a means of encouraging exports and maintaining full employment. Early in the period, resources were allocated to capital expenditures at the expense of consumer goods through a system of wage and related controls. To counter inflation and maintain a favorable balance of international payments, an incomes policy was developed that limited consumer expenditures. The tripartite agencies that developed the national policies on wage changes became the effective means through which national manpower policy evolved. The industrial development, which followed World War II, created growing needs for manpower, thus lessening the traditional importance of emigration as a measure for the maintenance of full employment. The industrial growth was accompanied by temporary unemployment and dislocation of the labor force, which had to be surmounted if trade and employment objectives were to be attained. Skill training, to make the fullest use of manpower in meeting the needs of industrial development, became a necessary element of Dutch economic growth. Thus, manpower policy has encompassed the development of employment opportunities through economic growth on the one hand and manpower development on the other.

DETERMINATION OF MANPOWER POLICY

Because of the interdependence of the Dutch economic objectives, manpower policy is a key element of the annual Economic Plan, the first of which was drawn up in 1946. Responsibility for developing the annual Economic Plan is in the Central Planning Bureau, although the substance of the plan is subject to approval by the Council of Ministers (cabinet).

The plan presents an inventory of the country's productive facilities, both physical plant and manpower. It also contains trends and levels expected in the coming year for production, prices, the national income, consumer spending, investments, manpower resources, employment, job vacancies, manpower needs, productivity of labor, and the like. The supply of manpower, including workers with particular skills, is a key consideration in determining whether or not an increase in production can be brought about.

The plan provides advice and guidance to labor and management as well as to the Government. Measures to implement the plan rely chiefly on persuasion, and great emphasis is given to individual freedom to deviate from the plan because Dutch economic policy is traditionally based on the free-trade, free-enterprise principle. But the various branches of the Government possess legal means—such as controls over credit, taxes, building permits, and wages—of enforcing policies based on the plan. For example, with the Dutch economy heavily dependent on international trade, concern over cost competition in world markets has resulted in an income policy that places some restriction on wage increases. However, the Governmental machinery permits a pragmatic resolution of wage problems.

The National Budget supports Government activities designed to meet objectives of the plan. In essence, the Central Economic Plan is a prognosis of economic activity without binding force, whereas the budget commits the Government to a program through the authorization of necessary expenditures.

Since it was created in 1945, the Central Planning Bureau has consulted with all agencies that have responsibilities relating to economic, social, and financial policy. It coordinates information and research needed for policy decisions and welds the decisions into policy documents. This process of consultation and coordination enables the various agencies to adjust their own programs to the possibilities envisaged by the Central Plan. The National Budget then reflects program needs for policy implementation. Frequent consultations are held with the planning sections of the Ministries of Economic Affairs, Agriculture and Fisheries, and Social Affairs and Public Health. The Central Planning Bureau is also represented on interdepartmental entities, such as the Interdepartmental Committee on Wages and Price Policy, the Priority Committee on Reconstruction, the Committee for Capital Movements, and the Bank for National Reconstruction. The Bureau's professional staff of less than 100 is aided by the work of the various Government departments and by outside experts as needed. It also calls on a Central Planning Committee for advice.

MANPOWER PROGRAMS

The Ministry of Social Affairs and Public Health has primary responsibility for manpower programs, but the Social and Economic Council and the Foundation of Labor—both composed of Government, industry, and trade union personnel—exercise a major influence on manpower and administration. The Social and Economic Council was created under a 1950 law to advise the Government on social and economic policies, especially with respect to wages and industrial relations. It is composed of 45 members, 15 appointed by the Crown, 15 nominated by the central trade union organization, and 15 nominated by industrial associations. The Council provides a forum for debating matters of manpower and economic policy and reaching a consensus on major policy changes. For example, in response to a Government request that it recommend alternative or additional criteria for wage determination without changing the basic procedure, the Council, after nearly 2 years of study, ignored the request and in 1962 called for complete revision of the wage determination system and drastic curtailment of the Government's wage restraint powers.

Administration of Wages and Income

The new policy, which went into effect on January 1, 1963, gave to the Foundation of Labor, which represents all management federations and the three main trade union federations, the authority for approval of collective agreements that formerly rested with the Board of Government Conciliators in the Ministry of Social Affairs and Public Health. Since the Foundation was created in 1945, the Government had been obliged to seek its advice with respect to wages. In 1963, however, the Foundation became the mechanism for regulating industrywide and plant-level wage bargaining, with overall guidance from the Social and Economic Council as to national policy on wage changes. Wage increases agreed upon in 1963 and 1964 have attempted to prevent the siphoning off of manpower by neighboring countries where both wages and prices are higher. An initial concern that the Dutch export trade might not sustain such large wage increases has, during 1965, been found not to have been warranted.

The functions of the Council and the Foundation with reference to wage regulations were again undergoing change in the second half of 1965. Direct Government interference—and decision—in the 1964 wage talks determined the unions to push for a much freer wage policy, with a principal objective of getting Government out of the collective bargaining field. This general principle has been agreed on by the Government and the unions, with the result that bargaining will be done on an individual industry or establishment basis, without review by the Foundation. The unions propose to have Government retain only such power to step in as might be necessary to control wage increases when they might endanger the general economy.

The functions of both the Labor Foundation and the Social and Economic Council are thus at the moment undergoing considerable change, but there is no plan to abolish them.

The general lines in manpower policy are drawn by the Directorate of General Policy of the Ministry of Social Affairs and Public Health. The chief agency for implementation of manpower policy is the National Employment Service, whose director-general reports to the Minister of Social Affairs and Public Health. The director-general also heads the State Additional Employment Service which is concerned with projects to counteract downturns in employment. He consults an advisory committee (made up of equal numbers of representatives of the leading employers' federations and of the leading trade unions appointed by the Minister) on employment problems, such as technical training and mediation of disputes.

Job Market Research

An important element of the manpower policy of the Netherlands has been a determination to foresee developments and be prepared for changes when they occur. The Ministry of Social Affairs and Public Health continuously publishes detailed information on the job market. The reporting of job vacancies and unemployment in the Netherlands, which began with the establishment of the employment service, is voluntary. Both employers and employees are, however, prohibited by statute from terminating employment without the consent of the director of the employment office. Exceptions are made by mutual agreement and for urgent reasons, such as actions that would warrant immediate dismissal. Although this regulation would appear to encroach on the freedom of the parties, it appears to have contributed toward labor-management stability. However, it is a regulation which the trade unions would like to see discarded.

Representatives of employers and workers, as well as the employment board, are consulted when an application for dismissal has to be judged. In the case of genuine redundancy, employers are not obliged to keep workers. On the other hand, workers are not kept against their personal wishes. However, in the tight job market situation, excessive turnover is curbed and rash dismissals are limited. If this system continues to operate, however, it may inhibit some of the benefits in manpower utilization that could be expected to flow out of the new free-wage policy.

The National Employment Service

Several staff functions performed by units of the central office of the employment service support the operation of a comprehensive manpower policy. The Vocational Training Department is responsible for organizing and supervising vocational training of adults in vocational training centers. A Vocational Guidance Department is concerned with the organization and method of vocational guidance given by the Government in the Employment Offices. Several subdepartments formulate policy for special areas and sectors such as agriculture, services, women, handicapped persons, and youth. There is an Emigration and International Labor Matters Department concerned with policymaking and negotiations in international labor. A Vocational Studies Department is responsible for occupational studies and development of vocational guidance materials. There is also an Industrial Medical Department concerned with the health aspects of labor.

The State Employment Office is the nationwide employment exchange composed of 87 district or area offices and 47 local or branch offices under the jurisdiction of the Chief Inspectors-General of the 11 Provincial Employment Offices. The central function of each of these offices is placement of workers in jobs, but they perform many auxiliary functions, such as: Vocational guidance; vocational training of adult workers; occupational research and information; making grants for migration within the country; medical screening of job applicants; special treatment of disabled and handicapped persons; registration for emigration; recruitment and placement of foreign workers; intervention in dismissal of workers; and job market research and information.

The placement service is available free to all jobseekers, but they are not required to use it. Unemployed persons must, however, register at the employment office to qualify for unemployment insurance, which is compulsory. The social insurance authorities disburse unemployment insurance benefits; the employment office undertakes to find jobs for the applicants.

Handicapped Workers

Each employment office has a department that specializes in finding employment for handicapped persons, working in close cooperation with the office's medical adviser and its vocational guidance personnel. The objective is to restore "unsuitable labor" (physically or mentally handicapped and former delinquents or discharged prisoners) to work. Placements of the handicapped amount to about 3 percent of total placements by the employment service. In addition, many handicapped workers are placed in welfare workshops. These institutions are subsidized by the Ministry of Social Affairs and Public Health and run by the municipalities to provide productive noncompetitive work for the handicapped to hasten rehabilitation. The storage of manpower in the Netherlands undoubtedly aids in the placement of "unsuitable" labor, although employers may be compelled by law to include a minimum number (at least 2 percent) of handicapped workers as a percentage of their staff.

Mobility of Labor

If no suitable work can be found within a reasonable time for the jobseeker in his own district, the employment office may place him elsewhere. Relocation assistance may be provided to workers moving to another area. Since 1960, this has been available only in exceptional cases to those moving to the congested Randstad-Holland area in the western part of the country. More than a third of the population of the Netherlands live in the western part of the country, with an exceptionally heavy concentration in Randstad-Holland, producing potential problems of housing, communications, and transportation. More generous allowances encourage movement to the designated problem areas called "development centers." There is a complex schedule of payments varying with the classification of the area and the family responsibility of the worker. Unmarried workers are not eligible for relocation allowances unless they are disabled. Married able-bodied workers moving to development centers are eligible for the cost of travel for themselves and their dependents, moving expenses, and a lump sum payment as partial compensation for furnishing a new house, plus an additional payment for each child. In view of the shortage of family housing in development centers, married workers moving to those areas may, in addition, receive a portion of the cost of board and lodging for as long as a year. Disabled married men receive more generous allowances. Little of the migration within the Netherlands has entailed payment of moving allowances by the Government; the hiring employer was, until 1960, required to help finance the cost of a move, and many workers do not know of the Government allowances.

Regional Development

Aid to workers in support of geographical mobility is geared to the policy of growth of thinly populated development centers and dispersing industry from the congested Randstad-Holland area. Incentives are provided to nongeographically tied industries to locate in parts of the country outside the Randstad urban complex. The policy has had substantial success in balancing economic growth and job opportunities throughout the country. The regional industrial policy is administered by the Ministry of Economic Affairs, but it has manpower implications.

The Ministry of Economic Affairs has designated some 40 or more development centers where industrialization is encouraged. Grants are provided to industrialists putting up new buildings in these areas, provided employment is developed in relation to the amount of floor space built. Government buildings with low rentals are also provided in these areas. In addition to loans, grants, and other encouragement to industrialization of the development centers, payments to workers for migration to jobs favor them.

Handling of Seasonal Unemployment

The State Office for Additional Employment is responsible for preparing and carrying out projects providing employment for limited duration. These are generally public capital construction projects to counteract seasonal unemployment, which is concentrated among agricultural workers. Through funds available to the National Employment Service, building and agricultural projects are put into effect during the off seasons.

To meet the demand for labor in agriculture during the peak season, travel and subsistence allowances are made available for temporarily unemployed workers from areas other than those that need workers. Curtailment of these funds since 1958 has forced some spread of work and some mechanization to reduce peak loads. The Dutch are developing the concept that agricultural workers should have year-round employment. This concept is being encouraged in meetings between agricultural employers' and workers' organizations. Seasonal agricultural workers are given additional training, usually in the construction and machinery repair trades, to provide them with skills usable on or off the farm.

Vocational Training and Retraining

The National Employment Service supervises the 24 regional vocational training centers for adults. Each center's director reports to the chief inspector-general of the Provincial Employment Office. The director of the center is aided by an advisory committee consisting of an expert on vocational training and a representative of both employers' and workers' organizations. District employment officers refer trainees to the centers and find jobs for them in industry when they have completed training.

The centers were set up immediately after World War II to alleviate wartime training losses and to foster shifts of workers from trades in which there were too many workers to those with a shortage of workers. The centers have become a permanent part of the country's manpower program as accelerated training has overcome employers' misgivings about Government intervention. Up to December 1963, over 60,000 adults had completed training courses in the centers as an important supplement to the traditional apprenticeship training. Investigations showed 92 percent were successful in a job for which trained.

The centers train workers who have no skill, retrain those who cannot find work in the skill for which they were trained, and give refresher training to those who wish to resume work at a skill after some absence. Unemployment is not a requirement for entry, but applicants must pass an aptitude test and a medical examination. Courses may be attended by potential members of the labor force from ages 18 through 50 (recently lowered from 55 because of the difficulty in placing older workers). The age limit and age distribution of Dutch trainees are significantly higher than in other countries with similar training.

Training allowances provided while a trainee attends the vocational training centers vary with family responsibilities. They range upward from 70 percent of the minimum wage for unskilled labor, which is the allowance for unmarried trainees.

The Netherlands provides wage subsidies for approved on-the-job training. The subsidy amounts to half the weekly or monthly wage minus an estimated production or achievement value of the trainees' services. It is paid in four installments (40, 30, 20, and 10 percent, respectively). The duration of the on-the-job training is set in advance and the training methods and procedures are subject to employment office supervision.

Trainees in the Netherlands may enter the adult training centers at any time. The Dutch have made great progress in designing courses to permit trainees to proceed at their own pace. A type of programed instruction is used and a trainee who has had some previous training or experience may skip parts of the course. Since the training takes the form of supervised practical work, rather than formal class instruction, members of a training class may be at widely different stages. The trainee is graded for each assignment and receives a bonus for satisfactory performance. Typically, the duration of training varies from 12 weeks to substantially longer periods for more difficult trades. The center's director is responsible for determining when the trainee has satisfactorily completed the basic course. He also recommends whether the trainee is suitable for further training. The Dutch have designed a regular followup of their adult vocational trainees. Approximately 1 year after training, the ex-trainee is given an examination. His certificate for completing the course is not awarded until after he has passed this examination.

Most of the courses provide instruction in the metal trades and the construction trades. Training is given for occupations in which vacancies cannot be filled through regular recruitment of juveniles or through industry training programs. Training needs are forecast from statistical data on employment trends, job vacancies, and employer requests for apprentices.

Selection for employment goes on during training. In special cases, workers may be given either basic or advanced training for employment in a particular company at that company's expense. Outgoing students may be urged to take followup training in other recognized training institutions until they reach industry performance standards.

Vocational Information and Guidance

The National Employment Service carries the major responsibility for both the provision of occupational information and vocational counseling. Although the two programs are closely related, they are carefully distinguished.

Occupational Information

The extensive program for collecting and disseminating occupational information has developed from the countrywide job evaluation system.

Faced with the need of wage controls after World War II to preserve export markets and the balance of payments, the Dutch made great strides in job evaluation. The wage control system used the equal pay for equal work principle as a basis for wage setting and justification of above-average wage increases. After a variety of job evaluation systems were introduced, the Foundation of Labor obtained the agreement of labor and management representatives to engage only such management consulting experts as were independent of both employers' and workers' organizations. Out of this agreement there developed a standardized method of job evaluation which has been almost universally used since the mid-1950's in the Netherlands.

The Occupational Studies unit of the National Employment Service has pursued occupational research intensively, both nationally and internationally. Many industries in the Netherlands have been willing and eager to cooperate in this undertaking. Out of this nationwide job evaluation program, which was originally established for wage setting purposes, the Dutch have developed considerable occupational research. On the basis of required levels of ability, education, physical condition, etc., some 4,500 occupations have been defined and classified. Many of these 4,500 occupations have been analyzed and described in detail and are used by vocational guidance counselors and placement officers. Detailed occupational analyses are continuously reviewed to take account of new occupational trends because of changing techniques and new occupations and specializations. These analyses are available to the vocational guidance counselors who reach a great number of schoolchildren and their parents and teachers.

At the beginning of 1962, an Advisory Committee for Occupational Information was inaugurated. The task of this committee is to advise on methods of providing and organizing information on occupations and training courses. In the Netherlands, this information is disseminated not only by the National Employment Service, but also by various other organizations. The National Employment Service has an extensive program for distributing occupational information including exhibits, visual media, and visits to industrial enterprises.

Vocational Guidance

Although the Dutch vocational guidance program begins, in many cases, as group counseling of primary school pupils, it emphasizes the provision of expert advice to individuals. Vocational guidance is given by psychologists or counselors with specialized training on the basis of the individual's performance on tests, his education, and his abilities or experience. A student and his parents may obtain advice on the choice between continued study or occupational training, as well as on the choice of occupation. The freedom to choose one's own occupation is fully respected, as is the freedom to decide whether to obtain vocational counseling. Consequently, many youth do not take advantage of the guidance that is available.

The Employment Service in the Netherlands has the following duties in regard to occupational counseling:

(1) Furnishing on request guidance in the choice of an occupation;

(2) furnishing on request advice on schooling and studies;

(3) giving advice on the vocational aptitude of candidates for courses at the adult vocational training centers;

(4) supplying public information, where necessary, about the purpose of and the need for guidance in the choice of an occupation; and

(5) performing research in the field of test methods and data verifications.

SWEDEN

Maintenance of full employment is the core of Swedish economic policy; anything less has become politically and socially unacceptable after two decades of extraordinarily low unemployment. This emphasis has developed from a consensus of the employers' organizations, the union federations, and the main political parties. So strong is the emphasis that concessions are made if measures aimed at other economic objectives—price stability, for example—appear to be endangering the high level of employment. Indeed, the Swedes, have chosen mild inflation as the cost of full employment. Not having actively participated in World War II, Sweden was not burdened with all the problems of recovery that most European countries encountered.

MANPOWER POLICY

Swedish monetary and fiscal policies focus on economic growth to insure full employment. But growth inevitably produces structural changes in the economy and in manpower needs. Moreover, it is difficult to apply general policies with sufficient precision to avoid swings between unemployment and manpower shortages which would be incompatible with full employment. In addition, the attendant fluctuations in productivity and prices would hinder attainment of Sweden's other important economic and social goals: maintenance of her competitive position in export markets and improvement of her people's standard of living.

Swedish manpower policy therefore relies on the speedy and flexible use of selective measures to maintain geographic and occupational balance between manpower supply and demand and to minimize seasonal and cyclical fluctuations. These measures include a variety of means to stimulate the mobility of labor and to create employment and influence its location. There are generous facilities and subsidies for the occupational training of adults and financial assistance for workers who are willing to move in order to find employment. There are also provisions to raise or lower manpower demand through the Government's capital investment, procurement, and credit powers and through tax incentives to induce appropriate levels of private investment. The Swedes place these varied approaches in the hands of a well-informed and efficient network of employment offices to provide the free choice of as productive a job as possible for everyone who is able and willing to work.

The effectiveness of Sweden's manpower policies may be judged by the rate of unemployment, which has not risen above 2.8 percent of the labor force in the past 15 years. Unemployment during 1963 averaged 1.4 percent of the labor force. While the Swedish technique for measuring unemployment is not directly comparable to U.S. techniques, and results in a lower figure, the 1963 rate would still be less than 2 percent if unemployment were computed according to U.S. definitions.

The full employment characteristics of the Swedish manpower situation since World War II have contributed to a subtle shift in outlook. The filling of job vacancies was formerly considered the way to reduce unemployment. Currently, unemployment is considered the means to reduce shortages of workers. Consequently, training and retraining the unemployed becomes essential if unfilled demands for labor are to be satisfied from this source. Also, knowledge about the long- and short-run requirements for labor has become important in order that educational and worker training programs can be geared to future manpower needs.

SWEDISH INSTITUTIONS AND AN ACTIVE LABOR MARKET POLICY

The outlines of manpower policy are formulated by the Government (the ruling party or coalition) and the responsible members of the cabinet (or King-in-Council), that is, the Ministers of Interior Affairs, Education, and Finance. The policies are then submitted to the parliament (or *Riksdag*) for approval.

The National Labor Market Board

One distinguishing feature of Swedish manpower is the extent to which its administration is centered in a single agency. Throughout the Swedish Government, cabinet ministers participate in the formulation of policy and issue policy directives, but policy is implemented and administered by central boards whose sphere of action is delineated by the parliament. The agency responsible for manpower policies and programs is the National Labor Market Board (*Arbetsmarknadsstyrelsen*), which is administratively located in the Ministry of Interior Affairs.

The Board's central mission is the maintenance of full employment. For this purpose, it has an exceptionally broad grant of authority for a labor agency. It is empowered to activate standby appropriations for public works, to grant building permits, to trigger changes in the volume of Government procurement, to utilize tax incentives for the investment of industry profits, and to control the entry of foreign workers. It also has responsibilities for placement and recruitment, vocational guidance and training, vocational rehabilitation, registration and compensation of claimants of unemployment insurance, surveys and advice on industrial location, payment of incentives for the relocation of workers, and supervising public works projects initiated to counteract unemployment.

Because of the nature of its responsibilities, and to avoid conflicts and to promote cooperative action, the Board coordinates its activities with those of other agencies. It works closely with the Ministry of Finance, the Central Statistical Bureau, the Central Bank, and the Ministry of Education. Coordination with the Ministry of Finance is especially vital when the Labor Market Board authorizes the release of employers' deposits in the Investment Reserve Fund to counteract cyclical unemployment. Similarly, the Board's actions to accelerate or restrict the issuance of building permits and construction credits require close cooperation with the housing authority. Government programs under the direction of the Ministries of Agriculture, Commerce, Defense, and Social Affairs may also have labor force implications of interest to the Labor Market Board. Many of the Board's local activities are undertaken with the participation of county and municipal representatives.

Two other outstanding characteristics of the Swedish Labor Market Board are its decentralized organization and its reliance on participation by labor and management representatives.

The composition of the National Labor Market Board reflects its tripartite nature. It consists of three Government members—the director-general (who is chairman), the deputy director-general, the chief engineer—and eight other members appointed by the Government. Two representatives are from the Swedish Employers' Confederation (SAF), two from the General Federation of Swedish Trade Unions (LO), and one member each from the Central Organization of Salaried Employees (TCO), and the Confederation of Professional Associations (SACO). In addition, there is a member who represents female workers and one who represents agriculture.

A distinguishing feature of the Labor Board administration is the ability of the three groups, labor, management, and Government, to work together despite the varied interests each represents. Communication between the three groups is specially good at both national and local levels. In matters of local interest, tripartite task forces are created as the need may arise to consider special problems, such as the employment of older workers, the disabled and handicapped, and seasonal employment.

The Board's staff organization reflects the decentralization which characterizes Sweden's Governmental structure. While the ultimate responsibility for implementing national policies is vested in central boards, as previously stated, county and district offices actually carry out the national policies and undertake supplementary local programs as needed.

Several staff functions performed in the central headquarters of the Labor Market Board support the effective administration of manpower programs. The collection and dissemination of information on placement and recruitment, training and retraining, immigrant workers and international exchange of trainees is undertaken by the Employment Service Bureau, which provides effective guidance on these matters to county and district offices. The Vocational Guidance Bureau, working in close cooperation with the Board of Vocational Education of the Ministry of Education, stimulates forecasting of training and employment that is useful for vocational guidance in the youth employment activities. The Sheltered Employment Bureau provides administrative and technical assistance to local authorities aiding the handicapped, older workers, mentally retarded, and others who require sheltered workshops, vocational rehabilitation, or special training programs.

The Labor Market Board has other central staff functions that are necessary to unified administration. The Finance Bureau guides the fiscal management and the audits of all programs. The Technical Bureau is concerned with the development and administration of public works programs to combat unemployment. The Chancery Bureau handles legal and administrative matters and supervises nonprofit agencies which act as placement offices for their members.

Situated within the central office of the Labor Market Board is the Unemployment Insurance Delegation, which deals with questions concerning the approved unemployment insurance societies. The delegation consists of the Board's director-general and deputy director-general, together with three representatives of the societies who are appointed by the Government. These societies, over which the delegation has authority, constitute the Swedish unemployment insurance system. In all, there are 47 societies established by different unions but administered separately from the unions as legally independent entities. Participation in the insurance society is obligatory for union members. The funds are financed by contributions from the members and the Government, one-third coming from the members, and the remaining two-thirds from the Government. About 1.4 million workers are insured in these societies.

In 1964, the economically active population in Sweden numbered about 3.8 million persons out of a total population of 7.6 million persons. This labor force is one of the most highly organized of any democratic country. The estimates for 1964 are that about two-thirds of all wage and salary workers belonged to some trade union. Over 95 percent of all union members belong to two federations. The largest is the General Federation of Swedish Trade Unions with over 1,500,000 members, and the next largest is the Central Organization of Salaried Employees with a membership of about 500,000. The remaining federations have about 110,000 members.

The County Boards

The Board's regional organization is headed by 25 County Labor Market Boards (*Lansarbetsnamnd*), one in each of the 24 counties (*lan*) and one in the city of Stockholm. The county boards consist of a chairman, usually the governor of the county, and five other members representing workers, salaried employees, employers' organizations, agriculture, and female workers. These boards direct the county employment services. They are also responsible for carrying out the Board's national programs and for initiating local measures to counter unemployment.

Each county employment service, in turn, includes a head office, with a director and deputy director, and a number of branch offices. In addition, smaller communities have district employment agents who are available regularly an hour or 2 a day or local agents who are available for consultation but have no fixed times of doing business. The larger offices operate specialized placement services for several occupational and industrial groups of workers according to needs in the area. They also offer vocational guidance and vocational rehabilitation, as well as special services for unemployed workers who have special employment problems, i.e., the handicapped, older workers, etc. In 1963, there were about 235 branch offices, 220 district agents, and 190 local agents. Counting the head offices, specialized services were available for white-collar workers in 28 offices, for seamen in 35, and for artists and musicians in 3. Forty-two offices provided vocational guidance services; 32 handled vocational rehabilitation. This extensive coverage throughout the country helps the employment service to keep a finger on the economy's pulse.

The county employment offices assess the need for emergency works and may, in some cases, initiate projects on their own cognizance. However, as a general rule, the decision is made by the National Labor Market Board. The Board can also encourage local works by allocating state credits for employment stabilization. It is significant that the Swedish penchant for decentralization provides for local action if needed.

Operations of the Labor Market Board

The Labor Market Board's use of its powers to influence the demand for manpower and to facilitate worker adjustment to economic changes is a reflection of the board's sensitivity to the constant flow of information on local manpower situations from its extensive network of offices throughout the country. Voluntary participation by labor and management in various activities is also significant in keeping the board informed. The complementary roles played by the National Labor Market Board and the county boards in implementing an active manpower policy are spelled out later in a description of the manpower program in Sweden.

Sound and intimate knowledge of the employment situation is an important element of Swedish full employment policy. The essence of the Board's "intelligence" operations is the speedy reporting of detailed information on current and impending employment developments. The local offices make daily reports on listings of job vacancies and notices of impending layoffs, as well as on claimants registering for unemployment benefits. Regular surveys also are made of the labor force and of short-term employment requirements. Research on longer-term occupational requirements is another undertaking.

Early Warning System

Most employers advise the Boards local offices 60 days in advance of impending layoffs or shutdowns. The information is considered confidential and is used only for administering the Board's programs. The reporting system is based on voluntary agreements between the Board and employers' associations which cover a major part of private employment. There are corresponding official policies for public employment with the exception of municipal corporations and authorities. The general feeling in Sweden is that this voluntary system works very well, but legislation has been proposed to make reporting compulsory.

Job Vacancies

Employers are not compelled to list vacancies with the employment service, but many of them do so. The local offices post vacancies, advertise them in newspapers and on radio and television, and even have a telephone information service on job vacancies, for the widest possible publicity. In addition, information on job openings that cannot be filled by local workers is circulated to other offices. Currently, the employment service fills about 900,000 to 1,000,000 vacancies a year. About 70,000 involve the movement of workers from one region to another. About one-fourth of those who do move from one region to another accept short-term employment.

Estimates of Manpower Requirements

The County Labor Market Boards conduct monthly surveys to obtain short-term forecasts of manpower requirements. The surveys are supplemented twice a year—in winter and summer—for the purpose of determining manpower trends in the country from 6 to 12 months ahead. Interviews and questionnaires are used to obtain information from employers on order backlogs, inventories, production schedules, labor requirements, equipment changes, capital investment plans, etc. Compiling these data for the entire country often provides clues to the probable course of the business cycle.

Studies by the Vocational Guidance Bureau of the Board's central office and the Prognosis Delegation of the Central Statistical Bureau, formerly in the National Labor Market Board, are directed toward long-term occupational requirements and changes in the occupational structure of the labor force.

Information supplied by the county boards is designed to assist in planning for vocational education requirements and in the development of national manpower policy.

Labor Supply

Sweden's experience during the 1958-59 recession disclosed the need for better information on labor supply if labor policy was to be carried out efficiently. Since 1959, the Board's local offices have been making quarterly labor force surveys. These surveys utilize techniques similar to those employed in preparing the U.S. Department of Labor's *Employment and Earnings and Monthly Report on the Labor Force*, and with a considerable amount of demographic detail. The principal aim of these surveys is to determine the shortrun variations in the different labor force components.

The Board's supervision of unemployment insurance activities is another source of information on the availability of manpower. Although, as indicated, unemployment insurance is provided through union-sponsored societies, all claimants are required to register with the local employment offices as a prerequisite to receiving unemployment benefits from the society. State subsidies for unemployment compensation, which amount to about two-thirds of the total, are based on registrations. These subsidies are dispensed through the Board's central office.

Labor Demand Activities

The official manpower statistics are supplemented by careful study of other data (on wages and prices, for example) as a foundation for the Board's decisions on the timing and scale of its actions to affect both aggregate and local demand for labor. Aside from its own actions, the Board is responsible for advising the national Government, the employers' associations, and the trade unions on desirable policy changes vis-a-vis fluctuations of the business cycle. The Board uses both persuasion and direct action in whatever combination is indicated for the maintenance of full employment.

Special Programs to Combat Unemployment

Public Works and Government Purchases

An essential ingredient of Swedish manpower policy is the Government's adaptation of its own investment and procurement policies to the prevailing economic situation. The Labor Market Board can restrict or initiate investment in public works according to the season, the stage of the business cycle, or the geographic location of unemployment. It can also act to step up or defer Government purchases. It may also use public works to provide jobs for older workers who could not otherwise be employed.

Each year, the National Labor Market Board presents proposals to the Government for a Public Projects Reserve, covering Government-financed and Government-aided projects that can be initiated on short notice. The Parliament annually delegates to the Board power to use funds from the reserve when unemployment warrants. The Board's annual review yields a current portfolio of projects which are scheduled over the next few years, but which can be initiated ahead of schedule. These projects typically call for the construction and maintenance of roads, bridges, harbors, preparation of firebreaks, and other short-term activities. Such works have been especially useful in reducing seasonal unemployment among forestry and agricultural workers, but have also been used during cyclical downturns.

To provide employment for older workers, the Government also gives a 50-percent subsidy to local communities for "cheaper local public works." These projects consist of light work in public parks and forest areas or in road and street maintenance, as well as certain jobs in museums and libraries.

Employment in emergency public works varies from about 2,000 to 3,000 during the summer to as many as 15,000 during the winter months. The range at a given season between periods of boom and recession is narrower.

The Public Projects Reserve also includes funds earmarked for stimulating employment by increasing the volume of central and local Government purchase orders to industry. Special appropriations are also made for this purpose. The reserve fund for orders to industry can be used during a general recession or directed toward a particular industry, depending upon the circumstances. Part of the total reserve may be used by the Labor Market Board without consulting Parliament if speedy action is required. The Board is also empowered to subsidize accelerated orders to industry by local authorities, up to 20 percent of the cost.

In the recession of 1958–59, a stepping-up of Government procurement is estimated to have provided 50,000 jobs. In 1963, public orders for machinery were instituted on short notice to offset a decline in employment due to a drop in exports.

Investment Reserves

To counteract cyclical unemployment, the Government encourages private enterprise to set aside during good years up to 40 percent of an employer's pretax profits. Tax concessions by the Government provide the incentive for firms to participate voluntarily in the program. Of the amount set aside, 46 percent must be deposited in a noninterest-bearing account in the Central Bank, the remainder, 54 percent, remains as working capital with the firm. Investment reserve funds thus set aside can be used only for certain allowable purposes (plant construction, new machinery, etc.). The function of such a plan is to assist in maintaining an adequate level of demand throughout the country.

If a recession occurs, the Ministry of Finance declares the time appropriate for investment and the Labor Market Board authorizes the release of funds for approved purposes to individual companies. The amount invested is not restored to taxable income. In addition, the firm can deduct from its next tax return 10 percent of the amount of the reserve invested. Investment funds placed in the Central Bank cannot be withdrawn without authorization, although after 5 years depositors are free to use 30 percent of their reserve for allowable purposes. The amount used is not restored to taxable income. If the firm uses its investment reserve funds without permission, the amount involved is restorable to taxable income plus a 10 percent penalty.

Although the Labor Board authorizes the use of the investment reserves, the county board must certify each project and has the authority to postpone its starting date.

On two occasions the Labor Board has authorized release of funds from the reserve; during the recession of 1958–59 and during the July 1962–April 1963 recession in the building industry. Approximately 1 billion SKr (or about $200 million) was invested in housing, construction, and roads and forestry machinery and equipment on the first ocasion, and about 600 million SKr was authorized for construction projects in the second instance. The 1958–59 withdrawals represented about 80 percent of the funds accumulated up to that time.

Management of the reserve fund provides the Government with an effective means for stimulating investment when general economic conditions would tend to discourage such action. And during boom periods which generate greater demands for labor, tight control of the reserve fund tends to retard business activity which would stimulate demand for workers.

Industrial Locations

The Labor Market Board, through its Location and Research Division, also influences, although it does not actually determine, where new plants will be located. A firm seeking the Board's help will be assisted once the company's manpower needs are known. The Board's staff will make recommendations for plant locations considering area needs for employment. Favorable consideration is given to areas where the dominant industry is susceptible to changes in business activity, where a major plant has been shut down, where most jobs are suitable for only one sex, and where population is being lost to the cities.

Housing Construction

Housing construction is used in Sweden as both an instrument of fiscal policy and a means for creating employment, since 95 percent of all housing is built with Government loan funds. Parliament fixes the minimum level of building credits available annually, but the Government may raise the level if the employment situation warrants. The housing authorities and the Labor Market Board cooperate in allocating construction funds to the regions, basing decisions on both housing needs and employment requirements. The county boards work with local employers' and workers' organizations, and the municipalities in the collection of data on the amount of housing planned and in progress and the manpower involved. In addition, the county boards make quarterly forecasts of building activity in their regions for the coming 12 months. The county boards also control the issuance of building permits, recommend when work is to be started, phase the time schedules for work, estimate the number of workers required, and determine their age distribution. The last-named feature is to create work opportunities that will be open to and shared by older workers.

This permit review authority was effectively used during the recession of 1962–63 and is credited with creating approximately 10,000 additional jobs in building construction alone. On the other hand, permits can be withheld if labor is scarce or construction starts delayed to extend the season of construction activity.

Occupational and Geographic Mobility

The Role of the Employment Services

On the supply side of the manpower equation, Swedish policy provides measures for facilitating workers' adaptation to economic changes. As previously indicated, these measures are carried through by a well-informed and efficient network of employment offices which is spread throughout the country. These offices offer a wide range of services which permit employment officials to offer employment for virtually all applicants.

The services of the employment offices are available free to all applicants and a wide variety of occupational choices are offered. The employment offices are completely neutral in disputes between workers and employers and impose no standards concerning terms of employment. They aim to provide employers with the best available manpower and workers with the jobs for which they are best suited. Both employers and workers are completely free to make their own employment decisions. Actually, it is not compulsory that all jobs be filled through the employment service; the only requirement is that unemployed workers must register with the service if they wish to draw unemployment benefits.

Effective placement has become the most important means of helping workers to adjust to changes in their employment situation. The image of the service has developed as an effective intermediary in bringing workers and jobs together. Placements are not only high in comparison with most other countries—usually approximating one-third of all job openings during the year—but also involve many interarea transfers, as previously indicated.

The placement offices can offer a number of incentives to stimulate both geographic and occupational mobility, as well as specialized services for workers with difficult employment problems. If the worker needs to move, he can receive travel grants and other financial assistance. If he needs to change occupations, he can receive vocational guidance and training or retraining. If he chooses training, he can receive an allowance geared to his family responsibilities. If he is handicapped, rehabilitation programs are available. Later, the worker can be placed in a sheltered workshop where he can earn minimum wages, but without the pressures usually found in a regular job; when skills are adequate, he may be placed in normal employment. If he is young, he can be helped to find a job on which he can receive training. An older worker can be assigned to work on a public works project in his community if he cannot move or is unable to take training.

Vocational Training and Retraining

Training is rapidly becoming one of the principal means of helping Swedish workers to maintain their employment capacities. During the years 1958–62, training courses increased in number from 55 to 822. Currently, about 1 percent of the labor force (37,000 persons in 1963, including 14,600 women), enroll each year for some training. The Swedes are also preparing for the future, when they expect to have between 1 and 2 percent of the labor force undergoing retraining. An equivalent effort in the United States would involve over 750,000 trainees annually.

Training courses cover about 100 different occupations in such diverse fields as cartography, nursing, weaving, and housekeeping. Depending upon the nature of the occupation, the training periods vary from 1 month to 2 years. Whenever possible, training courses are operated on a continuing basis so that trainees can be referred to a course at any time.

The employment service determines the need for courses, recruits and subsequently places trainees, and pays training allowances. The courses are worked out by the employment office and school authorities jointly, in consultation with employers' and labor organizations. Training is provided by the school authorities, who provide premises, secure instructors, and acquire supplies, tools, and equipment. At the national level, the Labor Market Board works with the National Board of Technical and Vocational Education, which is responsible for administering the training program. Since 1960, the two agencies have worked together through a coordinating body established for the purpose.

Training is available for the unemployed, persons whose jobs or skills are in danger of becoming unnecessary, the partially disabled or handicapped, and the middle-aged and elderly persons who are difficult to place. Special efforts are being made to increase the participation of married women in the labor force by providing training activities in occupations suitable for them. Single persons, mostly women, who are responsible for the care of minors and who are employed in low-paying, unskilled jobs unsuitable for heads of households are being trained for clerical and office positions where the income possibilities are better.

The number of women enrolled for training has increased in recent years, reflecting efforts on the part of the Labor Market Board to increase the participation of married women in the labor force. During the fiscal year 1961-62, 43 percent of the persons receiving training were women, about three-fourths of whom were enrolled in practical nursing or clerical courses.

For the handicapped, the national employment service provides vocational guidance, vocational rehabilitation, and on-the-job training —usually in special centers organized by the communities or privately. For those who cannot find jobs in the open market after rehabilitation, employment is provided in sheltered workshops where guaranteed minimum wages, established by collective bargaining contract, are paid. The sheltered workshops are usually organized by the local communities or private foundations. These projects are assisted by Government grants which will defray about 50 percent of the cost of machinery and buildings, plus about 15 percent of operating costs.

Training Allowances

An unemployed worker or other person qualifying for training receives a generous allowance. The basic allowance is 410 SKr ($82) a month, and there is an additional allowance of 10 SKr ($2) per month for work clothing. If the training center is not at the trainee's place of residence, he receives a room rent allowance ranging between 85 and 125 SKr ($18 and $26) a month, depending on the location of the center. Additional family and housing allowances vary according to whether he takes his family to the training site and how many children and other dependents he has. One estimate indicates that a Swedish worker can obtain as a maximum the equivalent of $206 a month while in training. Training allowances are intended to provide the trainee with approximately two-thirds of previous average earnings.

Most trainees have the option of receiving a training allowance or unemployment insurance benefits while undergoing training.

Most of these elect to receive training allowances, which are higher than unemployment benefits. Moreover, for married workers, the basic training allowance plus supplementary payments for housing and dependents exceeds the unemployment benefit.

Vocational Guidance

Vocational guidance is available for applicants who are considering occupational training but have serious questions concerning employment prospects, as well as for those who wish to change occupations without retraining. Although the employment service may use tests as a basis for determining the abilities of applicants for certain types of advanced training, testing as a means for selecting trainees is not very widely used. Most trainees have a wide range of occupational choices open to them and will make their own decision on what training to pursue.

The main offices of the employment service in each county are the centers for guidance, with special officers available on a part-time basis in the branch and local offices. The county offices are responsible for organizing and supervising vocational guidance throughout the county. The greatest effort is concentrated on counseling students. Vocational guidance classes are given in the secondary schools, and individual counseling is also provided. Prevocational training jobs are arranged for students to familiarize them with various occupations, and school-leavers are helped to find on-the-job training situations by the youth employment service.

Vocational education and guidance for youth in Sweden are a part of the general school program, and the vocational schools are of equal rank with the compulsory school and the secondary school. Several years ago, Parliament increased the duration of compulsory schooling from 8 to 9 years. In the 9th year, students may select 1 of 8 different educational objectives as a specialty: college preparatory, humanities, practical, mechanical, technical, mercantile, business, or social economics. Under this plan, vocational education begins after completion of the 9 years of compulsory education. Each vocational curriculum is sufficiently broad to give the students a sound background for later occupational flexibility. Vocational education is conducted by the municipal districts, with subsidies for part of the cost from the national Government.

Relocation and Resettlement Allowances

The depressed areas of Sweden are in the north, where seasonal unemployment is high because of the short summer and where workers are being displaced by technological improvements in forestry, the major industry. While Swedish manpower policy was not designed especially to benefit the northern region, it provides the Labor Market Boards with the means to stimulate movement from the north. At the same time, labor board officials in other areas can assist workers who want to take jobs in localities away from their homes. These aids to mobility consist of a series of removal or relocation allowances which are available to unemployed workers and those who have received notice that their jobs are in jeopardy.

Travel expenses can be paid for job interviews. If the worker accepts employment in another area, he may receive either his daily commuting expenses or a subsistence allowance for board and room until he makes suitable housing arrangements for his family. His family also receives an allowance if he lives away from home, the amount depending on the size of the family. The full amount is paid during the first 3 months he is on the new job, two-thirds for the next 3 months, and one-third for the following 3. Once a home is found, the Government will help defray the worker's moving expenses. Housing shortages appear to have been a major obstacle to mobility.

A worker living in a congested area who accepts a job in an area where labor is in short supply is eligible for a "starting allowance" to tide him over until his first paycheck is received. This allowance varies, depending upon the estimated duration of employment.

To further stimulate movement from the far north, the Government provides resettlement grants of 2,000 SKr ($400) for workers who move from the five northern provinces. These grants help the worker to avoid the burden of debts which movers often incur.

The total cost of the relocation program to the Swedish Government in the 5-year period 1958-63 amounted to about 30 million SKr, or about $6 million. This provided starting allowances for 39,882 workers, family allowances for 10,853 workers, and travel allowances for 52,651 workers. As already indicated, about one-fourth of the workers who accept jobs away from home take short-term employment.

The cost of training courses in Sweden during the fiscal year 1961-62 amounted to 77.8 million SKr ($15.6 million) and increased to 125 million SKr ($25 million) for fiscal year 1962-63.

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☆ U. S. GOVERNMENT PRINTING OFFICE: 1966—217-499